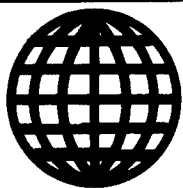


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4 JUNE 1990



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# ***JPRS Report***

## **East Europe**

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# East Europe

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## INTRABLOC

### Romanian Nationalities Policies 1920-89 Described

25000709B Budapest NEPSZABADSAG in Hungarian  
14 Apr 90 p 14

[Article by Ildiko Lipcsey: "Miserable Legacy"]

[Text] There is no country on this earth which in the course of protecting the interests of the majority or the dominant nation would not infringe upon the rights of religious, racial, ethnic, and national minorities.

Beginning in 1920, the fate of Transylvanian Hungarians in Romania was determined by the middle class parties, and by the nationalism and chauvinism of the left or the right. Each of these had as its goal the reduction in the number of the ethnic population (through assimilation, persecution, physical annihilation), so that they would become outcasts from an economic and social standpoint, and so that their national culture, their national consciousness, becomes more shallow.

To realize their ideal of having "a Romanian at every post," liberals from historic Romania endeavored to emaciate institutional systems that used native languages, and to change the ethnic conditions in Transylvania. They did so by settling Romanians in Transylvania, by repatriating Hungarians, and through the migration of the Szekelys.

The Transylvanian National Peasant Party's intent to assimilate was milder; it paid greater attention to the traditions of the region. Even though an advocate of Daco-Roman continuity, National Party leader and historian Nicolae Iorga believed that there was no need for renegades who change their nationality pursuant to their own interests; Hungarians and Saxons not only enrich Romania with their own values, but also act as a stimulant with respect to the Romanian people.

The right believed that the opposite was true. The Christian National Party demanded that a quota system applicable to all nationalities be established, and that by resettling nationalities, a 50-km-wide border zone must be rendered "clean." The Iron Guard went even further. Their slogans were zero quota, "Romania without Jews and Hungarians!"

### "Urban Development" in the Fifties

Between 1944 and 1947, during the coalition period, liberals proclaimed that the constitution guarantees human rights for everyone. In the 1946 elections the National Peasant Party promised much more. It advocated autonomy for the Szekely country and the right to speak one's native language. Nevertheless, among middle class politicians one could find some who advocated the implementation of the Czechoslovak pattern by which Hungarian and Romanian population groups

would be exchanged, and the collective responsibility of both Germans and Hungarians would be established.

At that time Communist Party policies behind the Groza government were influenced by several factors. First: When peace negotiations were held they wanted to assure Hungarians as well as the Great Powers that they would include the collective rights of nationalities in the constitution. Second: The [Communist Party] needed the professionals from both the nationalities groups and from the middle class parties in order to implement consolidation. Third: Small in number and not overly popular, in its power struggle with the historic parties the Communist Party could not do without the support of the Hungarian people won over with the illusion of equality under the law, and of the organization of Hungarians, the Hungarian People's Alliance.

In the next five years, between 1948 and 1953, Gheorghe Gheorghiu-Dej developed his own personal cult. Also, the Communist Party adopted Stalin's doctrine according to which socialism was built amid an increasingly growing class struggle. Nationalities suffered as a result in two ways. Various ethnic groups were condemned on different grounds: Hungarians for their nationalism, Germans for Hitlerism, Serbians for Titoism, Jews for Zionism, Bulgarians and Russians for being kulaks, and Greeks and Turks for being imperialists.

The policies of the post-Stalinist era between 1953 and 1965 consisted of two phases. Based on the claim that under pressure from Stalin in 1952 they established the Hungarian Autonomous Territory composed of the four Szekely counties where one-third of the Hungarian population resides, in the rest of the country they began liquidating Hungarian schools and institutions as well as the bilingual character [of various regions], they discontinued the Nationalities Ministry and associations formed by nationalities, they repressed the publication of books, and they decreased the number of newspapers published. They developed plans for urban development which consciously discontinued historic sections of cities inhabited by nationalities. In other words, following the first, unsuccessful attempt in 1948, Gheorghiu-Dej once again tried to "homogenize" the nation.

In response to the Hungarian events of 1956 they suspended the denationalization policies which exceeded even the actions taken by the middle class system. "In ten years I do not want to see any Hungarian schools," the party executive secretary said in 1958. Soon thereafter he completed the "de-Hungarianization" of the ministries of the interior, defense, and foreign affairs, and caused Jews to emigrate in mass proportions. While in the early 1950's he purged the upper leadership, at this time he "cleansed" the mid-level cadre and skilled worker level by removing Hungarians and Jews. In certain offices a new numerus clausus lowered the number of Hungarians to 10 percent, whereas in Transylvania 30 percent of the populace was still Hungarian.

### The Street of Nuns

Following Gheorghiu-Dej's death, in 1965 Nicolae Ceausescu, at that time the 47-year-old central committee secretary, became the head of the Romanian Communist Party [RKP]. In order to reinforce his popularity he courted not only the West and the Romanian intelligentsia, but also the nationalities. In amending the constitution in 1965, Article 24 of the constitution was reinforced: "Our system ensures that all coexisting nationalities may use their native language, and that they may have books, newspapers, periodicals, theaters, and education at all levels in their native languages." With the inclusion of members of the Hungarian, German, and Serbian intelligentsia, a Nationalities Committee was established to investigate complaints. Agenda items for the committee sessions included matters like discontinuation of schools and the disappearance of Hungarian and German signs. (For example, in Kolozsvár [Cluj] they changed the street designation "Apaczai Csere János utca" to "Strada Calugaritei," which translates into "the street of nuns and female monks"!)

The committee heard complaints and made promises on the one hand, while on the other a rather forceful nationalist outlook on history emerged. By then, Kolozsvár and Nagyvárad [Oradea] were presented as "ancient Romanian" cities, and frequent writings spoke of the "thousand-year-old struggle" of the Romanian people "against the migrating nations which stood at lower levels of civilization." They restored the old county system, but drew the borders of new administrative districts in a way that in places where previously Hungarians were in a majority, the ratio of Hungarians would be reduced. The Maros Hungarian Autonomous Territory ceased to exist.

The oppression of minorities was temporarily suspended between 1968 and 1972 as a result of foreign policy considerations. At that time Hungary asserted that the culture of Hungarians residing in neighboring countries was part and parcel of the given country's culture, as well as of universal Hungarian culture. The invasion of Czechoslovakia in August 1968 by six Warsaw Pact member nations instilled fear in the Romanian party leadership: As a result of the [RKP's] antinationalities policies Romania could have become the target of similar action. In response they established the Hungarian and German Nationality Workers Council as an interest group. They created state secretarial offices for nationalities in the ministries of Culture and Education, 10 publishers published books in nationality languages, nationalities research groups, museums, country houses, and newspapers appeared, and the time allotted for nationalities language radio and television broadcasts was extended. The party's executive secretary acknowledged the fact that in 1945 they deported about 70,000 Germans.

In many respects, the 11th RKP congress held in November 1974 represents a new era. They developed a grandiose plan for laying the foundations for, and constructing socialism, and for the transition to communism: By 1990 Romania must become a developed

industrialized nation of 25 million. At that time the country's "separate path" was reinforced in the Warsaw Pact: Within the leadership the role the Ceausescu family gained strength.

For the first time since the Communist Party took power, the "homogenizing" of the nation once again became state policy. (This included actions to make nationalities disappear, the "comprehensive rearrangements of city and village settlements" following the introduction of closed cities, the falsification of history and erasing the past of nationalities, and the gathering and destruction of vital records and archives.) Stalin's doctrine, according to which nationality issues are automatically resolved under socialism, was changed: The equal rights of nationalities are not ensured on the basis of the language used, but by the proportionate distribution on the national scale of productive forces and industrialization. The establishment of personal limitations and restrictions on family relations between Hungary and Romania began in those days. Forced industrialization, problems surrounding the economic mechanism, centralization, the party state, and the strengthening of the personal cult meant the total exclusion of democracy, including nationalities policies.

Large investments continued, new city districts mushroomed overnight around Transylvanian and Szekely cities, and they were filled with inhabitants resettled from the Regat [ancient Romania]. Lacking workplaces, this also contributed to the total impoverishment of the population as a whole. The confidence of the West in the country that was heretofore its darling was shaken in response to a credit crisis that exploded in 1980. Serious concerns also emerged in regard to human rights in Romania. Public services, food, and energy consumption were increasingly restricted year after year. Primarily the Hungarian population was held responsible for the coupon system and for the catastrophic economic situation; they were accused of endangering Romania's territorial integrity. This also served as cause for an armament drive and for controlling the populace. After 1982, openly inciting policies conveying the mood of a pogrom took the place of previously hidden anti-Hungarian sentiments. Education, publishing, literature, and mass communication media served this policy. According to a resolution published after the 13th RKP congress in November 1984, "we no longer talk about a Hungarian and a Saxon nation, we have a unified Romanian nation." Pursuant to the logic of this proclamation there was no longer a need for nationalities schools, books, and theaters in Romania, the nation state.

### They Do Not Exist, Nevertheless They Are Bad

In March 1988 the executive secretary announced that the country's regional administrative reorganization had reached a decisive point: By the year 2000 they would establish 558 agricultural industrial centers and decrease the number of villages from 13,000 to between 5,000 and 6,000, thus liquidating settlements in which the population was smaller than 2,000. During the following month in Ilfov County [Southern Romania, Bucharest area] they began the

transfer of population to multi-story panel buildings which had no amenities. Preparations to destroy villages progressed at a rapid pace in areas inhabited by Hungarians, Germans, Serbians, and other nationalities. This deprived the residents in those areas not only of their past, but also of the resources needed to make a living. Ever since the 1970's the resettlement of Hungarians to Hungary had become a continuous phenomenon.

At the 14th RKP congress held in November 1989 Ceausescu did not take advantage of his last chance. Blinded by his glory, he projected the image of a multifaceted developed socialist society, irrespective of people's belonging to nationalities. He did so, even though by then the series of

economic mistakes and political oppression had swept Romania outside of Europe's boundaries.

The executive secretary regarded nationalities as nonexistent, and painted a picture of the Romanian nation as one which would have achieved cultural superiority by the year 2060. He did not forget to emphasize that in Romania's history the aliens had to be held responsible for everything bad that had happened.

The December 1989 revolution, the first Romanian revolution, swept away the Ceausescu clan. Nevertheless, it bequeathed a heavy inheritance on the new Romanian democracy: Along with many other concerns, the country must do away with its chauvinist legacy.

**Distribution of Ethnic Groups in the Population of Romania and Transylvania (in thousands of people)**

	Romania				Transylvania			
	1948*	1956	1966	1977**	1948*	1956	1966	1977**
Romanian	13,598	14,996	16,747	19,207	3,752	4,052	4,559	5,321
Hungarian	1,599	1,588	1,620	1,671	1,482	1,599	1,597	1,651
German	344	383	383	332	332	368	372	323
Other	331	520	353	349	195	253	192	205

\* According to native language

\*\* According to native language and nationality; In 1987 the estimated number of Hungarians in Romania was between 2.13 million and 2.2 million, in Transylvania 2.03 million

**Population Growth Rate of Nationalities Residing in Romania (in percentages)**

	1930-56	1956-66	1966-77
Romanian	15.5	11.7	13.8
Hungarian	11.4	2	5.4
German	- 48.4	- 0.5	- 6.2

(Based on the 1988 yearbook of the Hungarology Research Institute, and on reports concerning the situation of Hungarian minority groups residing outside of Hungary's borders)

### Romanian Political Scientist on Resolving Nationalities Problem

25000708A Budapest MAGYARORSZAG in Hungarian  
20 Apr 90 p 6

[Interview with Laszlo Lorincz, Ceausescu-era theoretician and public official, by Ervin Szucs in Romania; date not given: "Mandatory Exercises; The Force of Principles and Actions; Nationalities Policies in Romania"—first paragraph is MAGYARORSZAG introduction]

[Text] Brasso [Brasov] native Laszlo Lorincz (65) has a significant career behind him. As the number one Romanian researcher of the philosophy of state he has served as a university professor, as secretary of the Academy of Sciences, as editor in chief of the Academy Publisher, as cultural attache at Romania's embassy in Vienna, and at one time, as state secretary at the Ministry of Education,

he also supervised the native language studies of minorities. At present he is vice chairman of the newly established Nationalities Committee which operates alongside the government and is chaired by Karoly Kiraly. He granted an interview to this newspaper in Romania.

### Proportional Representation

[Szucs] Recently you became the subject of an increasing number of attacks because of your active role in public life during the years of the "damned system." Most recently you were accused of even changing your Hungarian name to Romanian in order to advance your career, and continued your activities—which many believe were less beneficial from the standpoint of Hungarians—as Vasile Laurentius. In this relation they also cast doubt on your right to represent the Hungarians of Romania under the present circumstances.

[Lorincz] Look, I am not a politician, I am a professional, a professional in dealing with the theory of state, and with state administration, and that's what I have been doing in the past. In the Ceausescu system one could not even be a researcher without giving to Caesar what was due to Caesar. Just like a figure skater must perform the mandatory exercises, we also had to make the mandatory honor rounds. And as far as my name is concerned, indeed, there were occasions when I had to use the name you just mentioned: in 1956, when after having received my doctorate they dispatched me to serve abroad, and I was appointed cultural attache at the Romanian embassy in Vienna. Although at first I rejected the offer, I was persuaded in the end to accept it.

As usual, I received my passport only at the railroad station where the train headed for Vienna stopped. It was only then that I noticed that the passport was in the name of Vasile Laurentius. Thus for a year I did use that name. But only abroad and out of necessity. Incidentally, in the course of the entire Romanian diplomatic history I was the first one to refuse service abroad, and having returned home a year later, refused to go back. I did not feel good at all in this role, because it took place at a time when there was neither diplomacy nor culture in Romania. And whether I do or do not have the right to represent the Hungarians in Romania, perhaps the answer is my telling you that I was delegated to this committee by the Democratic Association of Hungarians in Romania [RMDSZ], and it so happened that they sent me in the place of Andras Suto who did not agree to perform this task.

[Szucs] For the time being, an outsider does not see much activity on the part of the Nationalities Committee....

[Lorincz] Even though we also contributed greatly to the fact that by now Romania has an election law which guarantees proportional representation for nationalities. At the moment this was the most that could be accomplished. In addition—true, for the time being in vain, we called on the government to develop conditions for general education (i.e. from nursery school to universities) in the minority languages. We also prepared a legislative proposal for the establishment of a Minorities Ministry. The new constitution must stress the rights of minorities: We want to be present when the constitution is drafted, by all means. Based on the constitution actually adopted we must also prepare a separate law concerning the minorities.

[Szucs] Although even today the 1945 minorities law which is still in force would do the job....

[Lorincz] ... if they would abide by it! Indeed, in part that law is satisfactory, because, for example, it provides an opportunity to provide Hungarian names for the designation of municipalities and for various signs. Altogether, however, the law requires reexamination, because demands have changed in the course of 45 years. On the other hand, it is a fact that thus far the fault has not been with the law. The fault was in the implementation of the law. Not in the general principles but in the specific acts.

#### Force Will Not Do

[Szucs] But did attitudes change at all? They did not, according to Hungarian medical students at Marosvasarhely [Tirgu Mures]....

[Lorincz] The struggle of the students at the Medical and Pharmaceutical Institute is made more difficult by yet a third factor, in addition to the political and nationalities situation. That third factor is the elections. Just as in the

West, it is not easy to squeeze out of a government facing elections a matter that counters the intentions of a majority of the voters.

[Szucs] Whereas this would be a really good chance to win over the minorities.

[Lorincz] Except that the government is better off if it wins the confidence of the 99-percent majority, as compared to that of the 10-percent minority.

[Szucs] Don't you think that the minorities' chances of winning are reduced by internal division? The more than 200,000-person German population is not willing to take part in the workings of the Nationalities Committee.

[Lorincz] There are two basic reasons for that. One is that they do not envision their future in Romania: Seventy-eight percent of the Germans have applied for emigration already. Everyone was surprised by that, because we hoped that the emergence of democracy in Romania would stem emigration. Unfortunately the FRG embassy in Bucharest is filled with persons wanting to emigrate. The other reason is indeed tied to the internal division of the minorities. The Germans are concerned about some kind of Hungarian hegemony among the minorities. Even though it should come as natural perhaps that more is being said about us, because our minority has the greatest number of people.

[Szucs] Both the chairman and the vice chairman of the Nationalities Committee are Hungarians....

[Lorincz] We offered a vice chairmanship on the committee to the Germans, but they rejected it. Except for the Germans, all 13 nationalities in Romania are represented in the committee: the Turks, the Tartars, the Ukrainians, the Gypsies, and now even the Serbians have joined.

[Szucs] In a manner similar to the Germans, emigration has also decimated the ranks of the Hungarians. Will those who have remained in Romania be strong enough to enforce their interests?

[Lorincz] Unfortunately, very many well prepared, competent, intelligent politicians emigrated, mainly to Hungary. Even though at this time they are needed in several fields. One of these is the RMDSZ. With its close to 1 million members it will be one of the largest political organizations in the country. The other is the still very inexperienced parliament whose political conduct is still very primitive. This is the place where we must represent ourselves in numbers proportionate to our size. We will elect our candidates for representative at the 17 April RMDSZ congress. And finally, we must also be present in state offices. Just as the education minister has a Hungarian deputy already, we must send appropriately prepared people to the rest of the state administrative institutions—let us just think of the future Minorities Ministry. We must endeavor to achieve our goals in such a way that we do not turn Romanian public opinion against us. So that Hungary's old, historic maps do not

remind them of territorial claims, of nationalism. Just as they do not feel that Turkey claims Romanian territories today when they look at the map of the Ottoman Empire. This, of course, also requires the manifestation of self restraint on the part of political forces and certain parties in Hungary. Extremist views are of no help, just as it did not help when Janos Kadar wanted to convince us in Marosvasarhely of how good we feel, and of the excellent circumstances in which we live and study. No solution can be found by force, through resolutions or government decrees. Every nation, including Hungarians and Romanians, must fight against their own right wing, their own opposition forces, their own nationalism: Hungarians should not fight against Romanian nationalism, and Romanians should not fight against Hungarian nationalism.

[Szucs] It would appear, however, that this tactic would diminish the possibility of Hungarians taking a united stand.

[Lorincz] Unfortunately, the Hungarians of Romania are becoming less and less united. Perhaps they follow the example in Hungary, and form ambitious parties with attractive names which draw various strata of Hungarians, while the RMDSZ does not have the fundamental technical and organizational conditions which would be absolutely necessary to produce results at the 10 May elections. In addition, the personnel of the RMDSZ are also becoming weaker.

#### Citizens With Equal Rights

[Szucs] In what framework would you, as a political scientist, be able to perceive the future of Hungarians in Romania?

[Lorincz] Minority problems can be resolved in two ways. One of these (the healthier one) is the granting of rights equal to those of all other citizens to nationalities residing in any part of the country. In this way there is no need whatsoever for any kind of discriminatory action. If this condition does not come about, autonomy could be the most satisfactory solution for minorities. I called the Romanian head of state's attention to this fact and he assured me of his understanding. Autonomy must not be perceived the way the Vatra Romaneasca does—as an anti-Romanian Hungarian creature, but as a method of organizing the state. This approach is also used by countries like Italy, France, Switzerland, Spain, Great Britain, or Belgium. The organizing of local autonomous [bodies] is a companion of democracy: Autonomy exists in regard to schools, universities, organizations, and churches. When using autonomy as a means of state administration it means decentralization which is the opposite of the centralized state. We may regard it as a coincidence if we grant autonomy to an area where national minorities reside—that would resolve a number of problems. Accordingly, autonomy must be interpreted as a nationalities institution. This is what must be instilled in the consciousness of the majority.

[Szucs] Does this concept mean an autonomous Transylvania in practice?

[Lorincz] No, because in Transylvania we find Hungarians in dispersions only. For the same reason one could not talk about territorial autonomy in regard to other minorities either. Within Transylvania there are three counties in which the majority of the population is Hungarian. It would be appropriate to grant autonomy to these three counties, jointly or individually.

#### Handling of Romanian, Albanian Refugees Questioned

90BA0006A Belgrade NIN in Serbo-Croatian 18 Feb 90 p 23

[Article by Toma Dzadzic]

[Text] At this point, it is becoming monotonous: After the Federal Secretariat for Foreign Affairs (SSIP) and the Federal Assembly, in just a month there is now a third federal institution, the highest, the Federal Executive Council, almost the entire state, denying what NIN wrote about the refugees sent back to Romania under a secret agreement with Romanian authorities. At the same time, none of the three prestigious government institutions even mention NIN, much less did they send their denials directly to the editorial office, which was the only one to write about this.

Not only do they fail to mention NIN, they do not give any data at all as to what they believe to be the truth about the refugees sent back if the information on this published in NIN really was not accurate.

Instead of giving precise information, then, all the denials come down to empty verbiage: "We have made inquiries, but we have not found any agreements between the two countries on the return of refugees," or, "There is no agreement on the returning of refugees, nor has there been." Such denials can, of course, be written by anyone for any occasion.

Had there not been any questions from newsmen in press conferences in the SSIP about what NIN wrote or delegate questions in the SFRY Assembly, everyone would have been happy to turn a deaf ear to the Romanian "refugee question," probably because the truth is unpleasant for Yugoslav foreign policy, and even those few known facts are difficult to refute.

Let us recall some of them:

- Romanian border guards (29 May 1975) freely crossed into Yugoslav territory in pursuit of a refugee from their country whom they killed, yet there was never an official protest about this from Yugoslavia;
- two Romanians leaving prison during the recent revolutionary events declared in front of the cameras of Novi Sad television that they had been forcibly sent back from Yugoslavia;



- on the eve of the rebellion in Romania, a member of a Yugoslav delegation en route to that country declared in Vrsac that he was going for talks, since Yugoslavia did not know what was happening to the thousands of Romanian refugees who wished to remain in Yugoslavia and who had not been granted the status of refugees by the UN high commissioner for refugees;
- the UN high commissioner for refugees in Belgrade believes that all the refugees from Romania did not reach his institution last year, since they refused refugee status to 1,243 Romanians, but according to official Yugoslav data 2,000 Romanians were sent back to Romania at that time;
- those who met the Romanian foreign minister Maneu Manescu most frequently concerning all these tasks during those years were Dzemal Bijedic, Milos Minic, Stane Dolanc, Gorenc. . .;
- Vukan Milivojevic, a former employee of the Professional Staff Services of the Vrsac Opstina Committee of the League of Communists who for decades has followed with passionate interest events along the Romanian border, says that at least 5,000 Serbs and Croats fleeing from Romania were sent back to Romania.

We are still waiting for evidence on this, especially for when the Romanian side also begins to open up its archives, and the refugees sent back begin to speak about this freely. The essential thing now for Yugoslavs is to clear up at least one question:

How is it that for decades Albanians have been "fleeing" freely and in large numbers from Albania to Yugoslavia and here they even immediately received Serbian farms and even entire furnished houses, and they now number here tens and, according to some, hundreds of thousands, while of all the Serbs and Croats who barely managed to flee from Romania at the risk of their lives, we know of one and only one Serb from Romania who managed to remain in Yugoslavia—Miodrag Belodedic, the soccer player for the "Steaua" team in Bucharest!?

So if the SSIP, as its representative says, is completely unable to find in its archives any evidence of a secret agreement with the Romanians under which refugees were returned, why not put the question to the participants in those events who are still alive: Milos Minic, Stane Dolanc, Gorenc. . . ?

#### Statement Issued by First RMDSZ Congress

##### To Romanian Friends

*90CH0099B Bucharest ROMANIAI MAGYAR SZO  
in Hungarian 27 Apr 90 p 1*

[Statement of the Democratic Association of Hungarians in Romania (RMDSZ) to Romanian friends who take a position regarding minority issues]

[Text] Having determined that accusations and attacks on our association and on Hungarians in the minority

are continuing, the RMDSZ congress is moved by, and recognizes with satisfaction the positions taken by certain members of the Romanian intelligentsia manifesting understanding, tolerance, and a staid attitude regarding minority issues.

The congress hereby publicly expresses its recognition of the deeply democratic and humanitarian workings by which they have revealed to the world the true value judgment, feelings, and endeavors of the Romanian nation now embarking on the path of European democracy.

Thanks to all of them!

#### Concerning Romanian Intellectuals

*90CH0099C Bucharest ROMANIAI MAGYAR SZO  
in Hungarian 27 Apr 90 p 1*

[Statement of the Democratic Association of Hungarians in Romania concerning the groundless stigmatizing of members of the democratic Romanian intelligentsia]

[Text] The RMDSZ congress is opposed to a demand initiated by the Bucharest organization of the "Vatra Romaneasca" Alliance to remove from their government positions Dan Petrescu, Lajos Demeny, and Attila Palfalvi, who take stands in the spirit of democracy in defense of minority rights.

The RMDSZ assures the three of its support and makes clear that such methods serve only one purpose: to stigmatize the advocates of democracy, to discredit them, and to intimidate them. For this reason these methods must be rejected once and for all, and those who use such methods must be held responsible under the law.

#### RMDSZ First Congress Resolution

*90CH0099A Bucharest ROMANIAI MAGYAR SZO  
in Hungarian 26 Apr 90 p 1*

[Text] The Democratic Association of Hungarians in Romania [RMDSZ] held its first congress in Nagyvarad [Oradea] on 21-23 April 1990. The meeting analyzed with great care and a sense of responsibility the issues attending the establishment and strengthening of the Association, the activities that have transpired during the four-month period since its establishment, and the struggle for the establishment of a legal framework that guarantees the resolution of our nationalities issues pursuant to models which have evolved in European democracies, and which ensure the free enforcement of individual and collective nationalities rights.

The congress determined that the RMDSZ was born in the heat of the December 1989 revolution and that since then it has supported all endeavors and programs which support instilling the spirit and institutional system of true democracy, cooperation among the creative forces of the country, and the establishment of a new, democratic Romania.

The presidential report submitted to the congress, and the debate that ensued after the report was read, pointed out that although the RMDSZ has delimited itself from all manifestations which violate, question, or threaten Romania's sovereignty and territorial integrity, and although the RMDSZ has taken an active part in every field of endeavor aiming for the establishment of a civil, democratic, and pluralist Romanian society organized on new foundations, the Association has been accused and attacked continuously. This holds true particularly in recent times. Such accusations and attacks peaked after the tragic provocations that took place in Marosvasarhely [Tirgu Mures] on 19-21 March, 1990.

As a result of a circumspect analysis of the situation the congress finds it necessary to state its position, imbued with a sense of responsibility for the fate and future of the Romanian nation and of the national minorities of Romania. In this spirit the congress resolves the following:

1. The Association will call upon the Provisional Council of the National Federation and the government of Romania to investigate without delay the tensions that have emerged with respect to the minority issue in the country, and to take a position in the interest of achieving a democratic settlement of this issue, and of actually ensuring individual and collective nationalities rights.
2. The Association denounces and condemns the conduct and actions of the Vatra Romaneasca Association, which in the second half of March held out the threat of civil war, and which threaten both the fundamental achievements of the revolution and the unity and real interests of both the Romanian people and the national minorities.
3. The Association assures solidarity with, and will defend all persons of a minority or Romanian descent who were and are accused or threatened for their work in the interest of democracy, stabilization, and progress.
4. The Association joins the Temesvar [Timisoara] Proclamation, however the Association does not agree with the principle of collective responsibility, and commits itself to the continuation and victory of the revolution.
5. Having assessed the fact that the rate of emigration, which has accelerated particularly since the tragic Marosvasarhely events, has extremely damaging effects on the future of the Hungarian minority and on its ability to fulfill the commitment it made with regard to the democratic transformation and development of the country, the congress calls the attention of the political leadership of Romania to the danger that threatens the creative force of the physical and intellectual power of the populace, and requests that the causes of mass emigration from the country be revealed without delay and in a candid fashion, and that factors which contribute to such matters—the atmosphere of disorganization and fear, the uncertainty surrounding the possibility of learning in one's native language—be discontinued.

6. In the interest of crystallizing the global outlook of the RMDSZ, it wishes to establish the fact that the Association shares the principles of the Christian outlook and Christian morality.

7. In the interest of participating in the exercise of political power, the Association takes part in the parliamentary elections; it will run candidates for representatives. Candidates for representative office will be selected from the ranks of persons who are best capable of providing representation of Hungarians in Romania. The Association will conduct itself as a partner with respect to all other political and social organizations in the election struggle, and will not utilize only the means and methods provided for by law [as published].

8. In due regard for the fact that it is our natural human right to freely use our native tongue and to provide native language education at all levels, the RMDSZ once again declares that:

—It requires the development of a Hungarian language network of schools, and the undisturbed operation of such schools beginning at the nursery school level, to universities.

—Youth represents the hope of development by Hungarians in the minority, and for this reason we intend to provide the best conditions for youth in upbringing, education, and in social life, so that they may fully perform their future role.

9. The RMDSZ makes the following statement in the interest of clarifying and achieving a democratic settlement of the situation that has evolved in the country:

The congress recognizes as its own a statement issued by our Kolozsvar [Cluj] organization. This is a document entitled The Common Land—Against National Totalitarianism.

Statement against the unfounded stigmatizing of Romanian democratic intellectuals.

Statement addressed to our Romanian friends who take a position on the minority issue.

We regard these statements as an organic part of the resolution proclaimed by the congress.

We once again proclaim our watchword to our membership: "The Future Can Be Found in Unity."

Nagyvarad, 23 April 1990

## CZECHOSLOVAKIA

### Withdrawing Soviet Troops Devastate, Pollute

90CH0047A Prague PRACE in Czech 4 Apr 90 pp 1, 2

[Unattributed report: "The Soviet Troops Are Gradually Withdrawing—Millions of Kcs in Damages Are Left Behind—The Forests Are Inaccessible"]

[Text] After more than 20 years, the Soviet Army is now slowly leaving our country (what a difference to their

arrival!). But wherever their units were stationed in the past problems are now cropping up.

*Mimon.* Five freight trains and one column of trucks are to set out this week from the Ralsko na Mimonsku military area to return to the Soviet Union. If the local residents are looking forward to being able to freely visit their own forests again after many years, they are sadly mistaken. Permitting access to this region is out of the question. The reasons? Contaminated soil; groundwater polluted by petroleum substances; oils and chlorohydrocarbons in the surface waters; illegal warehouses and illegal buildings.

"We estimate that there are 200 million Kcs worth of buildings in this region that did not pass through our building planning offices," Lieutenant Colonel Frantisek Stary, Head of the Military District Ralsko, commented on the situation. "At this time the firm Construction Geology, Prague is drilling test wells which should indicate the extent of the pollution. On Monday a special commission of the Committee of People's Control of the Czech and Slovak Federal Republic [CSFR] also started its activities; it is checking the conditions in selected military districts in regions where Soviet units were stationed." Approximately 600 Soviet Army soldiers are leaving Mimon (their families left earlier); they are only a small portion of the total number concentrated in this once beautiful corner of northern Bohemia. The attempt is being made to vacate as many of the 137 apartments occupied by the Soviets in Mimon as possible. In addition, the basic school attended by their children is to become a part of the high school in September. As soon as the damages have been calculated and the state of the forests evaluated, it will be necessary to start repairing the damages immediately. "We know that there are other substances present, apart from the oils that have been found in the sources of drinking water. In order to avoid area-wide devastation, a storage place for hundreds of thousands of cubic meters of contaminated soil must be found. We must act quickly, because beneath the polluted areas lies one of the highest quality drinking water supplies in Czechoslovakia," adds Eng. Jiri Vozenilek, head of the State Water System Inspection Office in Usti nad Labem.

*Milovice.* One thousand, two hundred and nine Czech citizens live here. How many Soviets are there? It is difficult to say. It is estimated that there are about 80,000 Soviet civilians and soldiers. Living with them is no picnic.

The citizens are afraid. The Milovice Civic Forum sent an open letter to the government agent of the CSFR, Major General Rudolf Duchacek, requesting the withdrawal of the Soviet armies; the letter describes the whole situation. Admittedly, he assured them that they have nothing to worry about but he did not dispel the citizen's fears.

It is no secret that wherever the Soviet armies left their "posts" they left behind a devastated countryside and destroyed property.

*The School.* The local National Committee leased a five-year school with workshops, a gymnasium, and social facilities to them. Everything was in perfect condition. When they were presented with a new school by the Ministry of National Defence, which had cost 20 million crowns, the principal locked the door of the leased school and returned the key to the National Committee. The workers who went to inspect it were shocked—the furniture was destroyed, the doors shattered, plaster was peeling off the walls, the social facilities and workshops were totally destroyed.

*Apartments.* Soviets live in the 442 apartments of the housing development "Balonka;" in some of the buildings they live together with Milovice citizens. The Kraj Military Housing Board in Prague has the right of disposition. No one really knows how many or what kinds of apartments are beyond the gates of the military area. So what are they like? You get a picture the moment you step into a home. The doors are knocked out, the houses cannot be locked up, there is filth and stench everywhere. The cellars are used as garbage dumps—the garbage cans in front of the houses are empty. The local National Committee had the cellars of the houses that were being repaired cleaned out for 160,000 Kcs. Before the last truck left with the garbage, the cellars were already beginning to fill up again.

*The Ecology.* The forest have been totally destroyed. The roads are full of potholes, trees have been toppled, the bark has been stripped from some of the trunks, almost all the birches have been felled. Only stumps of different heights stick out of the ground like warning fingers—their tops were used for brooms. But the real disaster is the water. There is a five-centimeter thick layer of petroleum on the lake of underground water beneath the site of the garrison. Admittedly, it is being pumped off, but the danger of polluted water for the community remains. So far the citizens Zbozicka and Strak have paid dearly; they had their water delivered in tanks for ten years, before new pipes were laid from Karan. Even the Mlynarice brook began to flow upstream—thanks to the "adjustments" that were made so that military vehicles could drive across it.

Perhaps this all sounds exaggerated to you. Believe me, it is not. We went to Stanislav Homernik, the Chairman of the local National Committee, for the facts. Ales Kubes and Milan Kraus, members of the Civic Forum, were other guides. We would need much more space to write about Milovice and the hardships of the citizens, and we would still not succeed in adequately describing all the wrongs they have to go on suffering.

#### **Program of Czech Communist Party Published**

90CH0078A Prague RUDE PRAVO in Czech 2 Apr 90  
p 2

[Report on the Program of the Communist Party of Bohemia and Moravia]

[Text] The creation of the Communist Party of Bohemia and Moravia is part of the profound transformation which the Czechoslovak Communist Party is undergoing at this time.

The announced program, which we are presenting here, stems from the views of those Communists who have been calling for profound social changes already for a long time. However, the old leadership of the Party was unable to put those changes into effect.

The changes which are taking place here are part of far-reaching processes touching all of Europe and the world. A real influence in a society which is undergoing such profound and fundamental changes will be retained only by those political parties and movements which will be able to react to those changes, which will succeed in adapting their activities to them, and actively work together within their framework.

The Communist Party of Bohemia and Moravia, part of the united CPCZ wants to be such a political force. In Bohemia, Moravia and Silesia we wish to work within the framework of the entire national political spectrum, share in the realization of the policy of national understanding, the development of democracy, and a humane society in a legal state.

We consider the foundation of our policy to be scientific knowledge, open dialogue on an equal basis, democratic pluralism, and political competition among all constructive forces in society. We reject once and for all any effort to gain a monopoly on political power.

We shall strive for democratic socialism, which for us means combining the age-old ideals of humanity, social justice and life certainties of the working people with the principles of freedom of the individual and of pluralistic democracy. We also link democratic socialism, as the sum of progressive civilizing values, with the need to create a harmonious relationship between man and nature.

We base our political stance on Marx's humanistic message and his methodological legacy and on all the progressive spiritual wealth of mankind. At the same time, however, we realize that these sources are not immutable and given for all time, but that they must be worked with in a creative way.

We wish to assist in overcoming the historic and tragic split of the communist and socialist movements and to take our place in the spectrum of leftist forces as one of its components.

Our country faces the task of coming to terms with the unhappy legacy of the past and lifting itself up to join the ranks of the most advanced countries in the world. Our party wants to contribute to the successful fulfillment of this task as well. The interests of the people mean more to us than narrow partisan interests.

The Communist Party of Bohemia and Moravia is a party of labor, is a party of those who through their everyday work created and are further increasing the material and spiritual wealth of society, or are preparing themselves for doing so. It champions and defends their interests against any kind of abridgement of human

rights and freedoms, reduction or suppression of social securities or opportunities for the personal development of every citizen.

The Communist Party of Bohemia and Moravia therefore respects the diversity and the singularities of political and social interests of its members. We shall make room for a free expression of views of every Communist, room for plurality of views that will make possible the existence of a variety of ideas and platforms within the party. The necessary unity of approach on basic questions can be achieved only in a democratic way, ensuring the right of the minority to a public defense of its views.

The policy of the Communist Party of Bohemia and Moravia is the affair of all its members; the party officials have the task of coordinating the work and activities of the party, support them organizationally, but they must not and will not designate them directly under any circumstances.

The goals of our program do not differ substantially in the basic principles from the goals of other progressive democratic parties and movements. Despite a difference in views and approach to some forms and means of achieving those goals, we are interested in constructive cooperation. It is our opinion that the essential part of a democratic pluralistic society are not just the political parties and movements, but also societal and special interest organizations, whose purpose is the defense of the justified needs and requirements of specific social or special interest groups.

We consider a unified, independent and sovereign Czechoslovak state to be the foundation of further successful development of our society. We base common interest and concern for a better future of our country on relations of equality of the Czech and Slovak nations, on an active patriotism and respect for the interests and rights of all nationalities. We support a systematic federative structuring of our state, which will provide equal opportunity for the nations and nationalities to find their place in society.

It is essential to open our country to Europe and the world, but under no circumstances at the price of political or economic dependence, or loss or threat to its sovereignty and individuality.

The fate of Czechoslovakia has always been closely tied to the fate of all Europe, to the processes that were taking place there. We are not returning to Europe, we have always been a part of it. But in the past we have paid many a cruel price for the failure of the European and our democracy, particularly for the ambitions for superpower status and world rule, and the dictates from both the West and the East.

For that reason the question of German reunification is so relevant and important at this time. We recognize and respect the right of the German nation to self-determination and a common future. We shall support

the development of relations of good neighborly cooperation not burdened by the past. However, as Germany's immediate neighbor we require the necessary international guarantees, concerning, above all, the preservation of the present borders and full respect for the economic and cultural interests of our populace.

We link a successful development of society with a modern market economy regulated by the government, which will guarantee the improvement of the living and working conditions of the people, and will stop the deterioration of the ecological condition of our country. An efficient market economy in a socially just society also requires a broad participation of the working people in management, including self-government, a corresponding share in the profits, and possibly also the property, of the economic organizations in which they work.

We support equality of various forms of ownership and entrepreneurship, their cooperation and healthy competition. We are in favor of the participation of foreign capital in the development of our economy, but we reject the sale of our national wealth to foreign interests.

The aim of our political activity will be to have public opinion support the realization of economic reform. But we shall insist that the concept of the reform which will be presented by the government be judged democratically by society and its implementation be under the control of the public. We do not plan to use the hard social impacts, which will inevitably occur in the transition to a market economy, for cheap political gains. Such impacts must be minimized, particularly where weaker social groups are concerned, that is, young people starting out in life, pensioners, and people with health problems.

We are of the opinion that in Bohemia, Moravia, and Silesia there is need for a basic and extensive renovation and modernization of worn out and obsolete production assets, particularly in view of the skill, professionalism and creative abilities of working people in the Czech lands.

The pressing need for this renovation requires speedy solutions, particularly in connection with the environmental conditions in the Czech lands where key industrial centers are especially strongly affected by the present ecological problems.

We shall work toward a systematic and satisfactory solution to the question of mutual relations between Bohemia, Moravia, and Silesia in the Czech state in accord with their historical and cultural traditions. In this respect we consider the realization of a true and economically secured self-government of communities, towns, and regions to be of great importance. We are in favor of developing such a system that will prevent a possible abuse of central power in decisions about questions which concern specifically and immediately the people in communities, localities, and territorial units. Important decisions which concern people should be adopted on the basis of local referendums, etc.

We recommend that the equal status of Moravia and Silesia within the framework of the Czech republic be emphasized by a transfer of some central agencies and institutions to the most important Moravian and Silesian cities.

We consider the solution of the overall neglect of the border areas of Bohemia, Moravia, and Silesia as particularly urgent. We want these areas to become a place of extensive cooperation with our neighbors, areas of economic prosperity and a vigorous, mutually advantageous tourist activity.

We strive for social justice for everyone. We equate it with a standard of living dependent on real results of work on one hand, and a government guaranteed dignified social security on the other. We understand social justice not only as the effort to preserve social certainties determined on a basis corresponding to a living minimum, but most of all as a full opportunity for those who wish to contribute to the common cause with their knowledge and abilities to make the most of them.

In particular, we shall work hard to achieve corresponding social security for pensioners, young people and other socially weaker groups. We also made it our goal to support and push through such measures that will make it possible to mitigate the emerging sharp social and property differences in society. We support the idea of a basic reform of the tax system with a progressive taxation of high incomes, which on one hand will invigorate the desired entrepreneurial activity in our economy, and on the other hand create the necessary conditions for the life of socially weaker population groups, particularly as it concerns a good and fully guaranteed education of children.

We consider a quality education, accessible to all, as the fundamental precondition of a productive economy and an overall flourishing of Bohemia, Moravia, and Silesia.

We will push through a constitutional right to a generally accessible free and quality therapeutic preventive care and a corresponding opportunity for recreation and rest after work and studies.

In relation to the traditions of culture, sports, and physical education in Bohemia, Moravia, and Silesia, and a beneficial use of people's free time, we definitely do not agree with a reduction of state subsidies for these important areas of society's life. Everyone must have the possibility of access to special interest activities and exercise which are essential requirements for strengthening health, restoring vigor, and cultural and spiritual development.

The Communist Party of Bohemia and Moravia does not want and will not come only with demands, but most of all with projects and proposals for the state agencies and national special interest organizations. We see our main goal in a responsible and active contribution of the party to the realization of everything that will benefit the

people of this country, the development of the Czech republic and the common Czechoslovak state.

### **Biography of V. Benda, Chairman, Christian Democratic Party**

90CH0112A Prague LIDOVA DEMOKRACIE in Czech  
3 May 90 p 3

[Article by (KDS): "Christian Responsibility for Democracy—We Present the Chairman of the Christian Democratic Party, Vaclav Benda, PhD"]

[Text] Already during his studies at the department of philosophy Dr. V. Benda was actively involved in the student movement. In 1968 he became the chairman of the Students' Academic Council—the first independent students' organization in the CSR during the Prague Spring. In 1970 he successfully defended his doctorate in philosophy and then worked for a brief time as university assistant, but because he refused to join the CPCZ, he was fired.

He completed the study course at the department of mathematics and physics of Charles University and for several years he was employed as mathematician and computer specialist. After he signed Charter 77 he was denied any opportunity of employment in his field—and so he worked as a stoker. In 1978 he was one of the founding members of the VONS [Committee for Defense of Unjustly Persecuted]. In 1979 he was one of the three spokesmen of Charter 77; in May he was arrested; a show trial of the VONS members sentenced him to four years of imprisonment. He served the whole term because he and his friends refused the offer of immediate release on the condition that they emigrate. While in prison, he was honored with full membership in the New York Academy of Sciences.

After his return from prison he worked at various manual jobs, but upon the intervention of the State Security Corps he got dismissed from every one of them. The family was supported by his wife, Kamila, who is a mathematician, while Dr. Benda was forced to become a "househusband" and provide proper care for their six children. As a dedicated Catholic he took part in ecumenical meetings within Charter 77 and in religious and church activities. From 1985 to this day he has published ten issues of the samizdat periodical PARAF. In October 1988 he co-founded HOS [Movement for Civic Freedom] in which the Christian Democratic Club was organized. The latter was soon expanded into an independent political party. In late December he was coopted to the Parliament as a member of the Federal Assembly and a member of its constitutional and legal committee.

Dr. Benda is a man of many talents: In 1978 he published his original book "The Black Girl" in the edition "Kvart." In prison he wrote several fairy tales for his

children: in the lists of his property confiscated during house searches they were included under a common title "About the Dreadful Battle of the Peewees with a Monster." In addition, his wife, Kamila, published four volumes of his letters from prison which are remarkable for their profound thoughts, inventive ideas, dynamism and challenges.

The chairman of the KDS [Christian Democratic Party], Dr. Vaclav Benda, made available to our newspapers an appeal to voters in which he states: "We were among the cofounders of the Civic Forum and we regard ourselves as its integral part. Our activists devoted to it considerable energy—working in our local organizations up to the coordinating center in Prague. Above all, we dedicated ourselves to one goal: for the antitotalitarian bloc of the civic opposition to defeat every communist and crypto-communist trend. In that we have never followed our narrow partisan interests. However, last March our congress decided that the Christian Democratic Party would proceed independently, which logically led to our participation in the coalition of all Christian forces.

We must be consistent in our thoughts about how to replace the existing system. No matter how free the elections, they would not be truly productive if the foundations of civic and political society, with its internal divisions into individual ideological currents—plurality, would not be restored even before the elections. As a party, we intend to be on principle a nonsocialist party.

For that reason, we appeal to all Christians who have thus far avoided public affairs, or who have even regarded politics as something immoral: Christians cannot relinquish their own responsibility for matters of this world. I urge all of you to get involved in public affairs and to participate inspired by the Gospel rather than by any utopias.

However, I appeal also to those who are not affiliated with any church but who nevertheless realize that Christian ethics and the heritage of Christian culture and civilization are imperishable values. True democracy can never be based on any arbitrary rule, even if it is a majority rule, but on an essential program which humbly approaches the creation—the world that is entrusted to us, with understanding and compassion for our fellow man. Our program may look foolish in the competition with other grandiose solutions for changing the world. However, precisely our Christian persistence greatly contributed to the success of our "flower revolution." In this sense we Christian Democrats do not hesitate to be that foolish party for which honesty and principles—though they may be madness in the eyes of this world—are much more important than any instant political success. Those who will join us as members or who will vote for us should expect dedicated service rather than advantages.

### Cooperative Farmers' Movement Publishes Its Program

90CH0053B Prague ZEMEDLSKE NOVINY  
in Czech 5 Apr 90 p 3

[Unattributed article: "The Election Program of the Political Movement of the JZD"]

[Text] "Profitable Unified Agricultural Cooperatives [JZD] are the assurance for a dignified life in the villages and the guarantee of sustenance for the nation."

The political movement of the members of JZD is striving for the creation of cooperative ownership by the members of the JZD on a democratic basis, and for the development of reasonably sized cooperatives. In this way the cooperatives will become integral parts of the restructured villages, with schools, a commercial network, and other services.

The political movement of the members of JZD advocates the development of entrepreneurial freedom for cooperatives, upholds the social rights of members of the cooperatives and the harmonious development of the villages. Through the development of unified agricultural cooperatives with no limitations or restraints the political movement of the members of JZD wishes to create social securities for the members of the cooperatives, to maintain their cultural and sporting interests, and to assure the production of food in sufficient quantity and of sufficient quality.

- To create conditions for the personal advancement of each cooperative member through the development of democracy and the direct interest of the members in JZD property.
- To reduce the taxes of Unified Agricultural Cooperatives in the interest of rapid modernization, particularly in the area of establishing investments.
- To ensure equality in the economic system for the JZD in its entrepreneurial activities.
- To create legal and organizational prerequisites for the optimization of the size of the cooperatives. To facilitate advantageous credits and tax breaks when establishing the basic resources in the new cooperatives, that were created through the break-up of larger ones.
- To protect the JZD from discrimination in agriculture in the areas of purchasing price and entrance fees.
- To help the JZD in trading activities abroad and initiating economic cooperation with foreign partners.
- JZD's share in the development of agricultural banking.
- To ensure high-quality health care for the agricultural workers, effectuated through the state.
- To ensure that tractor operators and dairy maids be placed in a better pension category because of the strenuousness of their work.
- To ensure a more substantial material share by the state in the rehabilitation and treatment of workers in agricultural professions.
- To cooperate with basic schools in villages and to recruit particularly children of cooperative members for careers in agriculture.
- To assist young members of the JZD to find apartments, to get advantageous credit, and to construct family homes.
- To create suitable working conditions for women in agriculture, and to advance capable women into the management structure of the cooperatives.
- Within the JZD to maintain an active relationship between pensioners and the cooperative, and to enhance care for pensioners by improving their meals in the enterprise dining room, organizing pensioners' clubs, and setting up care facilities for pensioners.
- To reassess the pensions of JZD members granted before 1974 and to implement fair adjustment of JZD members' pensions related to the increase in living expenses.
- To arrange cheap and high-quality domestic and foreign recreation for JZD members, topic-oriented information trips, and foreign language courses and visits for those who are interested.
- To fulfill and develop the interests of the members of cooperatives in the areas of culture and sports. To demand that the state share in the development of villages by building sports and cultural facilities.
- In connection with the reproduction of the work force, to ensure that the state takes on a larger financial and organizational share in the specialist training of agricultural workers and the expansion of scientific and technical knowledge.
- To place the agricultural educational system at the service of agricultural practice and put it under the control of the Department of Agriculture.
- To ensure the renewal of original villages with their own administration, and the reopening of basic schools with a limited number of classes, the development of services and a commercial network.
- To ensure that the state assumes a larger role in realizing ecologic programs in the country by stimulating these programs through state subsidies, and possibly tax breaks for agricultural enterprises.
- To create an atmosphere of mutual good relations in the villages, in cooperation with interest and community organizations. According to local opportunities,

the JZD will create suitable conditions for the activities of associations particularly of hunters, market gardeners, and beekeepers.

### Some Agrarian Parties Stay With Civic Forum

90CH0053A Prague ZEMEDELSKE NOVINY  
in Czech 5 Apr 90 p 1

[Article by KOP: "The Die Is Cast; The Preelection Arrangement of Political Forces Representing the Countryside and Agriculture"]

[Text] The call to unite the political forces competing for the favor of the countryside, and of the farmers in particular, is being heard ever more loudly in the press, on radio and television, and is even seen in letters to the editors of daily newspapers and to the secretariats of political parties.

The first of these parties to start negotiations with the Civic Forum were the newly founded Czechoslovak Agricultural Party of the Towns and Country, the Party of the Czech Countryside, The Free Agricultural Party, the Party of the Moravian Countryside, the Political Movement of the Members of the Unified Agricultural Cooperative [JZD], and finally the Republican Party of the Czechoslovak Countryside.

Before 9 March, the first of the parties with influence in the countryside and agriculture, the Czechoslovak Republican Agricultural Party of the Towns and Country, represented by its Chairman, Mr. Milos Vanura, agreed to adhere to the principles of the Civic Forum at the meeting of the political commission of the Coordination Center of the Civic Forum on 1 March 1990 in Prague. On 8 March the Party of the Czech countryside did the same through its spokesman Doctor of Natural Sciences, Frantisek Krejci from Ceske Budejovice.

At the meeting at the Coordination Center of the Civic Forum, on 9 March, the relationship between the above-mentioned political parties and movements and the Civic Forum was not really clarified. Mr. Vanura's and Mr. Krejci's parties remained loyal to the Civic Forum's principles, and pledged permanent political cooperation, while the Czechoslovak Agricultural Party, led by Assistant Professor, Eng. Frantisek Trnka did not pledge itself to direct cooperation with the Civic Forum, although it had pledged support for the principles of the CF during its Founding Congress on 13 January in Zadverice in Moravia. The remaining parties and movements remained undecided.

In the meantime, during March, various contacts were made and negotiations held by the participating parties in an attempt to establish cooperation so as to strengthen their political power. The basic political orientation of the leaders of the political parties led to the creation of two political groups. On 26 March 1990, at a meeting in the editorial offices of ZEMEDELSKE NOVINY, the

Political Movement of Members of the Unified Agricultural Cooperative led by Mr. Frantisek Melich, Chairman of the JZD in Nectiny/Pilsen, the Party of the Moravian Countryside led by Mr. Jaroslav Broz from Bruntal, and the Republican Party of the Czechoslovak Countryside led by Chairman Eng. Radim Donat from Cernosice near Prague entered into a union with the Czechoslovak Agricultural Party. A new political coalition party was formed, bearing the name "Alliance of Agricultural Workers and the Countryside."

The Free Agricultural Party, led by Mr. Ladislav Hlavko, Prague, will be entering the elections with the Czechoslovak People's Party, based on a decision made at their first Congress on 31 March 1990.

The Czechoslovak Republican Agricultural Party of Towns and Country, with its statewide influence, and the Party of the Czech Countryside are staying with the Civic Forum.

Apart from the above-mentioned political parties and movements, a nonpolitical organization is also operating here; it is called the Association of Private Agricultural Workers, which elected Mr. Jaroslav Plechac from Semil as their Chairman during their Founding Congress in Nymburk on 24 March 1990.

In order to complete the list, one should also mention the existence of the Preparatory Committee of the Economic Association of Privately Operating Agricultural Workers, represented by their spokesman, Mr. Jaroslav Navratil, from Bukov in Moravia.

### Actress Goes to Vienna as Ambassador

90CH0068A Vienna DER STANDARD in German  
8 Apr 90 p 3

[Article by Jindrich Lion: "This Time I'm Afraid"]

[Text] Vienna—Magda Vasaryova, the new ambassador from the CSFR, presented her credentials to Foreign Minister Alois Mock Friday morning. Alois Mock acknowledged the "surge in quality" in the relations between the two countries which has been made possible by the political changes in the northern neighbor. Ms. Vasaryova delivered the Prague government's wish for the establishment of new border crossings in the Bratislava area. The controversial Temelin nuclear power plant near the border is a "legacy" taken over by the new government from the old leadership, Ms. Vasaryova stated. The economic necessity of Temelin exists now as before; however, Austrian experts will be permitted to look at Czechoslovak power plant documents. Alois Mock confirmed the Federal Government's position of wanting to help bring about a renunciation of nuclear power internationally.

Before taking office, Ms. Vasaryova, a celebrated actress in her home country, stated to DER STANDARD that she was afraid of her new mission: "Unlike during my appearances on the stage, where I never had any stage



fright, this time I'm afraid. I sometimes wake up at night and think about what is waiting for me in Vienna. I don't want to make any mistakes. Because instead of the three-to four-year diplomatic training, I only took a crash course."

"In Czechoslovakia there is no diplomatic school," Ms. Vasaryova explained. "Until now, all foreign representatives were trained at the diplomatic academy in Moscow. Since at present there is a great deal of exchanging of representatives going on, suitable diplomats must be found among persons who are not career diplomats."

As part of her professional qualifications the artist referred to her completed sociology studies, "although that is not a diplomatic or political field." Furthermore, she has mastered a total of eight languages, she says.

Before Ms. Vasaryova was sent to Vienna as ambassador, she was involved in the Slovak citizens' initiative "Public Against Violence," the counterpart to the Czechoslovak citizens' forum. The ambassador replied in the affirmative to the question of whether as a woman she would be judged more leniently: "But I also have the disadvantage that as a woman you are often not taken all that seriously." "I would like not only to maintain the excellent present day relations between Czechoslovakia and Austria, but to help expand them," Ms. Vasaryova summed up her professional intentions.

## HUNGARY

### Exodus From Interior Described

25000707A Budapest NEPSZABADSAG in Hungarian  
20 Apr 90 pp 1, 4

[Interview with Dr. Sandot Ilcski, deputy minister of the interior, by Gy. Attila Fekete; place and date not given: "The Apparatus Is Leaving Discreetly; What Happened to the Police of the Police State?"—first paragraph is NEPSZABADSAG introduction]

[Text] At demonstrations not too long ago they were screaming about a police state. By now we are slowly coming to the point that there are no policemen who could be sent to the streets, and there are not enough detectives to search for robbers and murderers. The police of the police state are continuously disarming themselves. Just as one after another the best professionals at council apparatuses are leaving their workplaces. "People are escaping from the Ministry of the Interior," someone recently commented in public in regard to the continuous resignations and attrition. But who are those leaving, why are they leaving, and where are they going? We asked these questions of Deputy Minister of the Interior Dr. Sandor Ilcsik.

[Fekete] How many people have left the councils and the police in recent months?

[Ilcski] I cannot give you accurate figures, their number changes daily; from a practical standpoint people are leaving continuously.

[Fekete] Is it true that people are escaping from the Interior Ministry? They do not want to wait until the new government dismisses them?

[Ilcski] No, I do not believe that this is at issue. The change in regime has at best accelerated the exodus, but a majority of the people did not leave their earlier positions and workplaces primarily for political considerations.

[Fekete] But instead? Let's perhaps begin with the councils.

[Ilcski] At the councils primarily well trained, experienced experts are picking up their hats. Those who have worked for years and decades in one of the building, planning, legal, or financial departments. There is demand for them in the private sector; small enterprises offer double or triple the amount they earned at the councils. They offer even more to a former executive committee secretary because he has had insight into all of these fields.

[Fekete] There have been small entrepreneurial ventures before, and they have always paid higher salaries than the state. It is odd that council employees have taken note of this fact only at this time....

[Ilcski] Quite naturally, it is not now that they are taking note of this; on the other hand, the exodus has not just begun in recent weeks. But there are several reasons why this has become a topic of discussion now. Debate prolonged the enactment of the law concerning [local] autonomous governments; from a practical standpoint one cannot see how the local power structure will evolve. The situation of persons working there is uncertain. Everyone talks about a reduction of force within the apparatuses, while council employees are barely able to manage their workload. Everyone is aware of the fact that in the future administration must be organized in a different way, but no one knows—at least not those affected—how this will take place. How many people will be needed in the new autonomous governments? How much work will they have, and what will they receive in return? An overwhelming majority of councils are extremely poor; there is hardly any money in the budget to provide raises. Recognizing this fact, just to make sure, the professionals move on. Whoever is able to do so, that is. Because it is not as easy to move to a new place from county councils than it is from district, city, or municipal councils.

[Fekete] Still before the elections the interior state secretary told this newspaper that as a result of being overloaded with work, and in response to the many political attacks, the council apparatus "may revolt." Is this a realistic threat even today, or are they holding on until the local elections?

[Ilcski] I am not concerned about the apparatus revolting. Although doubtless, they were embittered by rumors about reviews and about lists of persons to be dismissed that were voiced during the campaign period. Many left as a result of these rumors. But if the new government stands behind the council officials, i.e. if the administrators may be certain about the fact that as long as they act within the law they can suffer no harm, they will certainly hold out until the local elections. [By harm I mean that they] will not become the focal points of political attacks, and that they will not be publicly vilified. Perhaps they would stay even longer, only their fate must be settled so that they can concentrate on their work.

[Fekete] The police have been complaining for a long time about being understaffed. Once the initial police matters [as published] became known, a kind of resignation fever took hold within the police. What is the present situation?

[Ilcski] Early last year we consciously initiated a generational change. In the course of a year 126 police leaders were moved from their previous posts, and 90 percent of the group leaders were retired. With the exception of two, all county police commands received new leaders; criminal enforcement experts—their average age is around 40, and virtually all of them have completed law school or the police officers' academy [as published]. I will note here that local political forces did not question the grounds for any of these appointments. Simultaneously, however, 3,540 policemen handed in their badges during the course of the year. One-fifth of them even surrendered the benefits to which they would be entitled based on the number of years of service. As compared to the desirable level of force, we are presently short 1,800 policemen, the largest number being about 500 in Budapest.

[Fekete] It is most difficult to serve as a policeman in Budapest, and this is where the toughest political battles over the police have been waged. Is this the explanation for the shortage of policemen in Budapest?

[Ilcski] Partly. But let us not forget that a national defense committee resolution provides that whoever has served five years with the police need not serve in the military. Many have taken advantage of this opportunity, among them many young persons from the countryside who have come to Budapest in this way. Now only a few people are taking advantage of this opportunity; we were not even able to start a class at the Szombathely noncommissioned officer training facility. On the other hand, those "first five years" have just expired, and most of them instantly handed in their badges.

[Fekete] Who else besides them is leaving the police?

[Ilcski] The professionals, computer technicians, communications technicians, and economists. And some of the good detectives are leaving for a multiple of their present salary as security officers at some enterprise. But some others are also

leaving—those who are unable to cope with the new requirements. Others become disillusioned because on occasion they must catch a pickpocket three times before they can arrest him. They do not see any sense in their work. On top of that, they are still exposed to political attacks in the course of performing their duties. If this would cease, if legality were to become the only criterion by which policemen are judged, the staff would come to rest quite rapidly. But this can be provided to them only by the new government....

### **MSZP Reform Alliance Establishes Program Concept**

25000707E Budapest NEPSZABADSAG in Hungarian  
23 Apr 90 p 5

[Unattributed article: "Reform Alliance: We Will Not Take Part in the Race"]

[Text] The Socialists must formulate a firm, specific strategic concept about their obligations to the home country and to progress. This is how Ferenc Kosa, Hungarian Socialist Party [MSZP] Reform Alliance leader, designated the tasks at the Alliance's Saturday [21 April] meeting.

The forces of national progression met at Lakitelek last time, where Imre Pozsgay's concepts of a free, independent, democratic Hungary were received with frenetic applause. The reformers subsequently assessed right wing ambitions for power inappropriately, and as a result of maintaining continuity in governmental power they became "punch balls." More recently, demagogic anticommunism and anti-Semitism once again raised its head. Being misled once again became the lead actor in history. To avoid reverse counterselection, exclusivity in power, and demagogery, we must think not in terms of a party. Instead we must join with left wing forces and must establish a common action program with autonomous organizations professing socialist and social democratic values, with the workers' interest protection forums, and with the intellectual and moral workshops of left wing ideals, Kosa added.

It was unanimously resolved that the Reform Alliance should regard as its task to bring together socialist, social democratic, and social liberal trends and movements that exist both within and outside the party. They do not wish to take part in the running race to fill the vacant place of social democracy, but they will do everything for the democratization of their movement, and to overcome the Bolshevik style.

### **Pozsgay Describes MSZP Plans in Parliament**

25000707D Budapest NEPSZABADSAG in Hungarian  
17 Apr 90 p 4

[Article by Katalin Kekesi: "We Will Not Be the Opposition to the Opposition"]

[Text] We asked Imre Pozsgay during an intermission of the Socialist Party's [Hungarian Socialist Party—MSZP]

national board meeting about the officers of the socialist faction in the new National Assembly, about the laws which should be enacted on a priority basis in the course of the opening session, and about the role they intend to play within the opposition.

"The socialist faction agrees to provide political representation for the intentions of the party, on behalf of the party's 535,000 electors," Pozsgay said as a matter of introduction. Since they are the only left wing party in Parliament, they will also be responsible for the political goals of those who are unable to express such goals at present by way of representation in the National Assembly. The socialist faction stands on the foundations of a position of principle defined in terms of European social democratic values, and the faction intends to play the role of the constructive opposition of a program party. It will pursue a firm, conceptually consistent conduct vis-a-vis the government, while it will not oppose governmental initiatives if they coincide with their own program points. They intend to perform clearly visible, independent legislative work within the opposition, and they do not intend to share common organizational grounds with anyone. "We do not want to become the opposition to the opposition," the state minister said. "On occasion our views may coincide with those of other groupings in the opposition. If this happens we will act in the spirit of such views, and not on the basis of spiteful confrontation."

They also intend to pursue the most consistent democracy within their own ranks. For this reason, the parliamentary faction, not the party leadership, will designate the faction's leadership. They regard voter representation as the primary task, therefore they will not function directly under party management, rather with a hopefully strengthening, influential mass party in the background, the parliamentary faction will formulate its activities independently.

Speaking of legislative tasks, Pozsgay stressed the fact that they are in a relatively comfortable position because they must learn about the government program before they formulate their own positions. It is at that point that they are able to analyze the consistencies of and differences between election programs and government programs, and are able to compare those with their own goals and formulate their political conduct on that basis. In Pozsgay's view the government's most important task is to transform the economic structure, control privatization, and initiate the development of policies that preserve financial stability, but at the same time are antiinflationary. The legislative clarification of political interests tied to the preservation of solvency is also indispensable. Specifically, the enactment of the law concerning [local] autonomous government is the most urgent and most important item, because without that it would be inconceivable to hold orderly local elections which comply with the requirements of a changing regime. Preparation of the 1991 budget cannot be delayed either.

Regarding legislative activities as a whole, ensuring the possibility to govern is most important, paying respect to the constitutional relationship between the legislative

and the executive powers. Legislative acts and house rules must be developed which provide far-reaching guarantees for the protection of the parliamentary minority. The real, big issue in a democracy is not the way the majority is able to enforce its will, but rather the opportunity given to the minority to fight its battles for becoming the majority in the future. The socialist faction has a demand to play an appropriate role in the elected corps of National Assembly officers, and that it be assigned appropriate places in committees.

Pozsgay had this to say in response to a question pressing for a statement on the role to be played within the opposition: "We enjoy the most firm position. The Socialist Party is the political force which in the period immediately preceding the elections, and in the skirmishes following the elections, did not even come into question as a partner in the ruling coalition. On the contrary, every party found it important to distance itself from the socialist, and with the exception of one or two parties, most parties paid careful attention to throwing a handful of mud at this party. Bless their souls. I will repeat what I said earlier: This was a fatal strategic and historical error on their part. We still may reap some moral benefits from this, but these acts certainly will not be written up to their credit. Viewing the Alliance of Free Democrats [SZDSZ] from this standpoint one may assume that they also found out that their place in the political sphere of action is not where they designated themselves to be. Although they have not surrendered their liberal, and purposely accelerating program points that came about not exactly as a result of social policy considerations, recently some of their leaders have loved to point out that their organization is a left-of-center party.

"Most certainly a race will evolve to fill the void left behind by the left wing parties which have bled to death," Pozsgay continued. He added that he trusts that once properly informed, citizens will recognize the fact that the Socialist Party is called to fill this vacuum. Any other political force which endeavors to follow this direction and which wants to obtain votes in this way could achieve this only by way of a ceaseless metamorphosis of itself; such a metamorphosis, on the other hand, would deprive their actions of credibility. The Socialist Party does what it said it would do, and its further task is to make every citizen able to sense this. Speaking of the Association of Young Democrats [FIDESZ], Pozsgay said that an approach has been made for FIDESZ' possible participation in the ruling coalition. Pozsgay regarded this organization's present profile, forms of political action, and style as an even more radical trend than that pursued by the SZDSZ. These are not long lived, according to lessons learned from Hungarian history, Pozsgay added.

#### **Financial Disclosure Statements Transferred to New Parliament**

*25000707B Budapest NEPSZAVA in Hungarian  
19 Apr 90 p 5*

[Text] The National Assembly press office reports:

The parliamentary committee charged with the evaluation of financial disclosure statements filed by certain

state and party officials who have served in the past or are at present serving in leadership positions held a closed session. The committee determined that financial disclosure statements have been received from 416 persons. Fifteen persons have testified thus far. The committee forwarded the hearing records and the rest of the documents to the new National Assembly.

## POLAND

### Election Methods, Programs, Concerns Viewed

90EP0528A Warsaw GAZETA WYBORCZA in Polish  
26 Apr 90 p 3

[Article by (dr): "Only a Month Remains Till the Elections"]

[Text] The first stage of the electoral campaign is already over for the citizens' committees: they have nominated candidates for councilmen, and they have to register them by this coming Friday. Preelection polls of public opinion indicate that these candidates can expect at least two-thirds of the votes. The nomination of the candidates has followed different patterns and was not always conflict-free. But—and this is something to which we have not yet become accustomed—it is the conflicts that are a characteristic of any genuine democracy.

These elections will take place in an atmosphere quite unlike that of last year's. But then the situation, too, is different: we are no longer combatting the communist front, and we are electing more than 100,000 people who are to effectively attend to local problems.

#### The Primaries: Many Ways

The nomination procedure is usually as follows: The committees hold open meetings with candidates for candidates, and then these candidates meet the primary voters.

There is no single model: In Czestochowa the candidates are selected by a 150-member convention consisting of members of the local citizens' committee and Catholic laypersons. In Szczecin the candidates for candidates must, before gaining the support of the citizens' committee, pass through three qualifying stages.

In Warsaw, in the Praga-South Borough, candidates for councilmen were nominated by tenants of individual housing projects. In Warsaw-Midtown there was a single primary for the entire borough.

#### The Candidates: The Parties Are Out

In Sieradz and Rzeszow voivodships the citizens' committees will try to fill all the seats in the councils. But in other voivodships there are many rural townships without citizens' committees. In Wloclawek Voivodship it is hoped that the Rural Solidarity will nominate candidates in the rural townships.

Certain citizens' committees do not want to include party members on their electoral lists. The Lodz Citizens' Alliance precluded the possibility of including in the electoral list the names of persons who had belonged to the PZPR after 13 December [i.e., after the imposition of martial law in December 1981]. In Bydgoszcz no members of any party, not even of the anticommunist parties, are welcomed as candidates.

A majority of the citizens' committees do not ask about political affiliation. But even so at election meetings such questions are being asked from the audiences. Former PZPR members usually are rejected.

#### Programs: The Trail Blazed and the Road to the High Sea

Citizens' committees often formulate a single program for all candidates on their lists. But they welcome it when candidates enrich that program with their own ideas.

The programs only concern local issues. They are drafted on the basis of comments made at sessions of people's councils, conversations with people, the activities of the "ombudsman" departments, and reports on the condition of the local gmina [rural township], prepared by certain citizens' committees.

The programs are limited in scope because of the lack of funds. They deal with environmental protection, suspensions of school construction, eternally uncompleted street excavations. But then also in Elblag, for example, a program plank is to obtain from the USSR consent to access to the high sea, which is to help transform Elblag into a port city.

#### The Conflicts: People, Why Are You Quarreling?

There are no disputes about the programs, but there are personal conflicts which often date back to the martial law era.

In Piotrkow Trybunalski separate lists of candidates were prepared by the Solidarity Citizens' Committee and by the citizens' committee linked to the local office of the voivodship's Sejm deputies and senators.

The Confederation of Citizens' Committees in Wloclawek intends to oppose in the elections the Citizens' Committee of Kujawy and Ziemia Dobrzynska, which is supported by Workers' Solidarity, and which is forming a coalition with the KTK, the Independent Union of School Youth, the Society of Friends of the Catholic University of Lublin, and former Home Army soldiers.

In Lodz the list of candidates prepared by the local citizens' committee was countered by a list of candidates prepared by the Citizens' Alliance, a coalition of 33 groupings (including the Independent Students' Association, the Confederation for an Independent Poland, Private Farmers' Solidarity, the Christian-National Association, the Club of the Catholic Intelligentsia, the Polish Catholic-Social Union, the National Party, and the Labor Party). Neither side was authorized by the

regional Solidarity office to use the Solidarity emblem, but both are doing it anyway.

Also unauthorized to use the "S" emblem are the competing citizens' committee and Committee for Social Initiatives in Radom. Both failed to meet the requirement posed by the regional Solidarity office: the preparation of a common list of candidates.

In Bydgoszcz and Slupsk the local Workers' Solidarity and citizens' committees will offer separate lists. The months-long conflict in Slupsk came to a head at the district court, which enjoined the Solidarity Elections Committee from disseminating flyers vilifying the citizens' committee.

However, in a majority of the localities at which conflicts arose between Solidarity and the local citizens' committees it was possible to reach an agreement and both will present a united front in the elections.

Members of political parties gladly offer their candidacies on the lists of citizens' committees, since they are aware that they will find it easier to get elected to the councils if they do so under the plaque of Solidarity. But the committees do not welcome this because, as they say, they want to serve the local community and not political ends.

### Focus on Fighting Solidarity: Goals, Leadership

#### Fighting Solidarity Profiled

90EP0438A Warsaw *POGLAD* in Polish No 1-2,  
Jan-Feb 90 p 22

[Article by Witold Pronobis: "Fighting Solidarity in the Face of Changes Occurring in Poland Following the Round Table"]

[Excerpt] The Fighting Solidarity organization is the strongest Polish underground organization presenting criticism of the so-called "constructive opposition" and the political line implemented by Lech Walesa.

From the moment of its inception in June of 1982, Fighting Solidarity has remained an underground organization. Its agencies are concealed and its leaders are in hiding. The main center of SW [Fighting Solidarity] is Wroclaw. Regional branches of the organization are active in a dozen or so Polish cities. Approximately 30 publication titles appear in the country under the shield of SW. The organization also has several publishing establishments, its own printing base and its own foreign agencies. The leader of SW, Kornel Morawiecki, estimated its membership at 3,000 as well as tens of thousands of collaborators and supporters. Currently, SW is without a doubt the strongest independence-oriented organization presenting criticism of Lech Walesa's political line which promotes "coming to terms" with the communists and a gradual evolution of the thus far existing political-economic system of the PRL in the direction of full democracy and pluralism.

The activists of SW reject in principle the possibility of dialogue with the communists as the method for the implementation of set goals. On the other hand, they also reject the abolishment of communism for force, with arms in hand. They regard constant pressure on the authorities and mass social uprisings as the only really effective method. On the eve of the start of the round-table deliberations in February of 1989, Kornel Morawiecki wrote:

"I feel closer to those who openly deny the legal validity of this government; those who want to abolish communism. Inclination toward understanding with the authorities appears to continue to prevail, particularly among Solidarity activists and the intelligentsia. This is an inclination that appears outwardly rational and realistic for reasons of geopolitics and historical determining factors or because the authorities have propaganda and power, therefore, there is no use dreaming or wasting social effort since this can lead to anarchy, bloodshed, civil war and destabilization in Europe. Whereas, slowly, step by step we will reach our goals. When they catch on, it will be too late. We will pretend to recognize them and help them to overcome the crisis. On the other hand, they will liberalize laws and introduce our people into the Sejm and together...As a Pole hand in hand with a Pole (...) This is tempting but so naive. Such a stunt of negotiating and pluralizing democracy out of the communists so that they will not be aware of it is impossible even for Lech (...) Meanwhile, time and the world are slipping away. The Polish spirit and substance are waning. Work ethos and integrity are declining. Poverty and corruption are on the increase in the country. Even children dream of emigrating (...) Evolution of the system—granted. But one that is aimed at its elimination and not reform and its preservation (...) Communism will not surrender just in and of itself. Jolts will come regardless of whether the system closes itself or opens up. In the first case, this will be in the form of rebellion of suppressed despair; in the second, that of an outburst of awakened hope." [passage omitted]

#### Program Development Explored

90EP043B Warsaw *POGLAD* in Polish No 1-2,  
Jan-Feb 90 pp 15-17

[Article by Anita Gargas and Maciej Wojciechowski: "Fighting Solidarity"]

[Excerpts] [passage omitted] Initially Fighting Solidarity [SW] came about as the SW for Press Understanding since its core was made up of printers and newspaper distributors assembled around Morawiecki prior to August 1980. According to W. Myslecki: "From its inception, SW adopted a little known concept of an organization not as a political party, not as a trade union or social organization but as a sociopolitical organization which is to serve Polish society and the Polish nation in emerging out of communism. Fighting Solidarity never concentrated on talking about itself or on publicizing its

own concept. We worked and in any case the gross of our work went for the benefit of Solidarity."

Three documents have outlined the perimeters of Fighting Solidarity's activity: the first is the "Solidarity Manifesto" of December 1982; the second—the so-called "Wizytowka" [Business Card] of September 1983; and the third—the "Ideological Principles and Program of Fighting Solidarity (draft)" finished in June of 1987.

Prior to publishing the "Manifesto," the SW Agreement organization announced a several point news bulletin about the tasks which it had placed before itself, in other words about abolishing the communist system of government in Poland and the preparation of conditions for the creation of a Solidarity Republic; about the methods of struggle based on the adoption of various forms of action: from participation in mass peace campaigns all the way to individual acts of violence; about the symbol of and about cooperation with conspiratorial NSZZ Solidarity organizations. In W. Myslecki's words: "We have never acted to the detriment of Solidarity. As far as Solidarity is concerned, we have not had a conflict of loyalty with it. We regard Lech Walesa as the leader of the trade union but we do not agree with his political policy. We regard ourselves as the inheritors and continuators of the radical-independence movement within Solidarity and in particular, as the messengers of the concepts contained in the 'Message to the Working People of Eastern Europe' adopted at the First National congress of NSZZ Solidarity Delegates."

The information given in the underground press signaled only the direction of SW activity. The lack of a cohesive program that would clarify the road or methods of abolishing the communist system of government in Poland was noticeable. The definition of the concept of solidarism and of a Solidarity Republic was unclear. The limits of committing "individual acts of violence" were impossible to determine. The program of Fighting Solidarity presented during the second half of 1982 offered the possibility of broad interpretation, thus giving rise to the appearance of unfounded accusations of the carrying on of terrorist activity.

"We renounce terrorism in any form whatsoever," it was written 5 years later in the "Principles and Program of SW Activity," and "[we renounce] random attacks, the principles of collective responsibility, the taking of innocent hostages, etc. We wish to model ourselves after the commendable tradition of the Home Army in defending ourselves and society against oppression while taking into account a totally different situation and circumstances of struggle."

The "Solidarity Manifesto," published exactly 1 year following the introduction of martial law gives an explanation of the organization's activity and specifies the fundamental conceptual apparatus. Solidarism is defined here as a system which cares for the interest of individuals and for their joint implementation with the interest of the population as a whole. This system has

adopted six primary principles: 1) parliamentary rule resulting from free elections; 2) market economy based on workers self-rule as the fundamental form of running work establishments; 3) freedom of speech and association; 4) representative regional self-governments; 5) independent judicial system; and 6) independent workers unions.

The fundamental weapon in the struggle for a Solidarity Republic is information. "The truth will liberate us," proclaims the "Manifesto." "We want to exchange arguments not bullets and missiles. We want to bring our adversaries around and not kill them (...). We have the right and the responsibility to express our thoughts and aspirations. How to do this? Through demonstrations and through strikes." These methods, which at one time were effective, have become outdated and insufficient. They form a danger in that the organization could become rigid. Maciej Frankiewicz, an avowed SW activist from Poznan states: "At the present time, we are becoming less attractive in only printing illegal news-sheets. A new form of activity may be in the organizing of clubs that are openly active but not formally registered anywhere—clubs primarily for young people and for the radical part of society; places where this youth could learn to think and act politically. Not only print and distribute; not only organize demonstrations but build programs, learn to convince and discuss because, for example, elections play an increasingly more important role and more and more will depend on forms for which we have not been prepared."

The program contained in the "Manifesto," although clear and cohesive, has not been able to avoid needless lofty slogans such as: "The dawn of solidarity rises over the world" or "the red and gold thrones will fall." [passage omitted]

To so-called "Wizytowka" [Business Card] or free copy of a special issue of the Fighting Solidarity organization's paper published in September of 1983 with a tens of thousands copy outlay has become a document of large importance. Besides the "Solidarity Manifesto," which constitutes an essential part of "Wizytowka," it also contains, among other things, the organization's goals and presented methods of work formulated in an eight point program consisting of: 1) information and publishing activity; 2) cooperation and communication with independent democratic movements; 3) assistance and support of mass protests; 4) assistance to victimized individuals; 5) support for independence movements in communist countries; 7) [as printed] infiltrating military, militia, SB [Security Service] and prison service agencies; 8) the development and improvement of the agencies so that they can protect society in extreme situations.

"Wizytowka" has not become obsolete, constituting for a long time the only program document of SW. Its most important virtue was its simple form and clear and concise content; the entire document comprised one page. [passage omitted]

The draft of the "Ideological Principles and Program of Fighting Solidarity" was completed in June of 1987. [passage omitted] The presented economic program, consistent with the liberal concept, is tinged with syndicalism whereas the vision of a new social order is based on two basic values: freedom and solidarity. The political system called solidarism is a modification of democratic capitalism in the direction of strengthening inter-human ties and placing cooperation over consumption. Regard for democracy, tolerance, and respect for the rights and opinions of minorities is reflected in the very structure of the organization which is gaining strength and adapting itself to its membership and regional growth. The powers of the organization's administration are purposely not defined precisely (chairman, council, executive committee), thus, guaranteeing the preservation of autonomy and independence of the specific groups and branches. [passage omitted]

"Our organization," stated an SW activist from Upper Silesia, "does not want to attain control. It is not interested in publicity. It tries to avoid any and all drawing room political games; does not enter into any kind of dubious alliances; does not strike up any compromises but simply proclaims constantly that it wants to abolish communism."

In "Zasady" [Principles], a systematic program of liberation from communism was published. The first phase, A, includes the forcing out of reforms in which goals would be determined by the struggle with the crisis and which should bring about the formation, still within the framework of the system, of a government open to democratization. Phase B assumes cooperation among organized independent social forces in governing the country. The dominating factor in this phase will be the processes of rendering autonomy to society and the separation of political power from the economic sphere. In phase C, political pluralism should come about in Poland and the adoption of partnership-like relations with equal rights between the nations of the bloc. [passage omitted]

The decision to have the leadership of the organization remain in the underground and not to reveal its structures comes from the option adopted by Fighting Solidarity. "The return of dictatorship to Poland is very likely. The historical role of SW is still before it."

### Morawiecki on Solidarity Relations

90EP0438C Warsaw POGLAD in Polish No 1-2, Jan-Feb 90 pp 18-19

[Interview with Kornel Morawiecki, leader of Fighting Solidarity, by E. Lama; place and date not given: "Free and United"—first paragraph is POGLAD introduction]

[Excerpt] Kornel Morawiecki, 48 years old, doctor of physics, married, father of four. Since 1979, editor together with Jan Waszkiewicz of BIULETYN DOLNO-SLASKI. Delegate to the First National Congress of NSZZ Solidarity Delegates. On 13 December 1981, he

escaped arrest and immediately joined in the activity of the Regional Strike Committee in Lower Silesia. In 1982, he created Fighting Solidarity. He is an underground activist who has remained in hiding the longest and who uses his own last name to represent his activity. On 9 November 1987, he was arrested and accused of, among other things, "smuggling material and equipment of a terrorist nature." On 30 April 1988, he was released from prison along with Andrzej Kolodziej as a result of the intervention of the Church and left for Rome for medical treatment while being assured the possibility of returning home. On 3 May, he made his first unsuccessful attempt of returning home via LOT airlines from Rome to Krakow. On 4 May, he landed via Lufthansa airlines at Okecie airport in Warsaw; was arrested several hours later and sent to Vienna under SB guard. In the spring of 1989, he made his way back to the country illegally. To this day, he is active in the underground.

[Lama] I have come across people, especially in the West, who have heard of Fighting Solidarity but have not heard of its leader. Do you think that the political cost of your remaining in the underground is a bit too high for the organization? Why don't you come out of hiding?

[Morawiecki] There are several reasons for this. One of the most important is the necessity of demonstrating that despite "normalization" Poland is not a normal country; that this is not the kind of Poland I or my organization would like. I am convinced that in our country—and this is only a matter of time—a serious confrontation will occur between the authorities and society. It is difficult to predict today which side will take the initiative but the already tested scenario of provocation prior to social outburst should be counted on. At that point, obviously, it is better to act in the underground than to let yourself be caught aboveground.

[Lama] In mentioning various motives, which contributed to your decision to stay underground, you have completely left out the issue of personal predispositions. Did they not play any role whatsoever? Perhaps you are an extreme individualist who would not fit into any social system because you have to do things differently than others...

[Morawiecki] Every Pole is to some degree an individualist but I certainly am not extreme. On the contrary, I am concerned about the recent spread in our society, particularly among youth, of one-sidedly individualistic tendencies and attitudes.

[Lama] You were, as nearly everyone between 1980 and 1981, a member of Solidarity. You were a candidate and were elected delegate to the First National Congress. There, you made a major contribution to the passing of "A Message to Working People of Eastern Europe." Do you have equally ambitious plans today now that the issue of elections to the leadership of Solidarity is again on the agenda?

[Morawiecki] Of course. I still feel a member of Solidarity and its causes are of great concern to me. I observe



its "rebirth" with anxiety and concern. Perhaps the elections really are the last chance for Solidarity to again be Solidarity. However, it is difficult to talk about campaigning for the leadership of the union if one remains in the underground. As far as "Poslanie" [The Message] is concerned, I feel that Solidarity is still not calling enough attention to this matter. Now is a very good time for this; there is a chance for a response. Something analogous to Solidarity is beginning to form in Hungary; there are People's Fronts in the Baltic States and Sajudis in Lithuania; there is also great social animation in Moldavia and in the Ukraine. These movements will turn radical and become to an increasingly greater degree a movement of opposition against communism. It is too bad that this situation is not being taken advantage of.

[Lama] These are Solidarity's problems and not the only ones, in any case. And what about yours?

[Morawiecki] We are currently struggling with "conspirational relaxation" resulting from the overall state of consciousness. For many people, the need for preserving the underground ceases to be justifiable since we are not functioning under conditions of constant threat. Not everyone realizes that the underground is a form of struggle with the system which rules effectively, among other reasons because "it knows everything" and can use this knowledge against society. Another problem is the lack of access to the broadly understood social elite which in large measure today favors the direction represented by Walesa. This does not mean that we are not at all present in these [elite] groups but, undoubtedly, in insufficient numbers. Beside this, our Fighting Solidarity is a "child of the system"—it is need of everything: people, money, equipment and is impaired because of a lack of integrity, promptness...

[Lama] Does a certain overideologization and associated with it organization-worship, and particularly the inclusion of a command feature [dyspozycyjnosć] in its ethos (the swearing in of members) also not belong to this troublesome "legacy"?

[Morawiecki] You exaggerate with this command feature. We leave a great deal of freedom of initiative to people and promote the concept of "individual creativity," ingenuity and resourcefulness. The individual branches truly have a good deal of autonomy and the resulting from this individual, characteristic method of work; their own profile. For example, two branches such as Gdansk and Poznan—both of which are very strong and energetic—differ completely from each other with respect to style. Gdansk is very radical; negatively disposed toward Solidarity in its present form (Neosolidarity), toward Walesa, toward Mazowiecki's government, etc. Poznan, on the other hand, is considerably more liberal and more "ecumenical."

The "legacy" may also be perceived in a certain tendency toward political dreaming based on wishful thinking, especially with regard to international issues. What I

have in mind, above all, are two issues: the first, is the organization's stand on the borders between the countries of the Europe of the future, free from communism in which it is proposed that the current administrative division be retained. The second, is the expression of hope that the social elite groups in the Soviet Union will act of their own initiative as a result of increased awareness or, in any case, will not oppose the collapse of the Soviet empire. Both issues have already been the subject of criticism in emigre newspapers.

I do not reject this criticism completely but so far it has not proven itself in practice. In countries of the Soviet Union (Baltic states, Byelorussia, the Ukraine), we are dealing with a rapid increase in social awareness but not only of the elite classes but of societies as a whole. It is imperative that there be no clashes and that the plane of friction be minimized between these rising national organizations striving for their own statehood. Honoring the existing division is a kind of "Solomonic" solution in this case.

This does not mean that we identify with the partitioning of Europe ordered by Stalin and sanctioned in Yalta; that we are evading the moral condemnation of this act. This was downright criminal: the displacement of such enormous masses of people took place on the borderline of genocide. However, these are matters that today are irreversible; to reexamine them would mean adding insult to injury. It would be totally senseless today to fight with the Lithuanians for Vilno or with the Ukrainians for Lvov. [passage omitted]

#### Kubasiewicz on Methods, Alliances

90EP0438D Warsaw *POGLAD* in Polish No 1-2,  
Jan-Feb 90 pp 19-21

[Interview with Ewa Kubasiewicz, chief of Fighting Solidarity's Foreign Organization, by Elzbieta Stasik in Berlin on 17 December: "We Don't Want Communism"—first five paragraphs are *POGLAD* introduction]

[Text] Ewa Kubasiewicz is 49 years old; master's in Polish studies; certified librarian and documentalist. Prior to August 1980, she was involved in the Free Trade Unions in Gdansk. Following August, member of the NSZZ Solidarity Gdansk Region Main Administration; vice chairman of the Solidarity plant committee at the Higher Naval School in Gdansk.

On 20 December 1981, she was arrested and sentenced to 10 years in prison and five years of loss of public rights by verdict of the Naval Court in Gdynia. (Ewa Kubasiewicz's son, Marek Czachor, currently one of four avowed representatives of Fighting Solidarity in the country was sentenced in the same trial to three years in prison and two years loss of public rights).

In the beginning of January 1983, while in prison in Fordon, Ewa Kubasiewicz wrote an open letter to



Henryk Jablonski, the then chairman of the Council of State, in which she protests against the act of clemency offered her.

Her stand as well as the unprecedented sentence have made her case well known abroad as well.

She was released from prison in May of 1983 and joined Fighting Solidarity. She is a member of the Executive Committee and head of Fighting Solidarity's Foreign Organizations. She has been in Paris since January 1988.

[Stasik] We are conducting this interview on 17 December during your brief, barely two day stay in Berlin where you have stopped on your way back from a visit to Poland which currently is so rich in political and program options; in "constructive" opposition possibilities. However, one does not see Fighting Solidarity. Is it possible that there is no room for it?

[Kubasiewicz] Fighting Solidarity is an organization that has and continues to function in the underground. This provokes controversy and evokes voices of dissent which cast doubt on the sense of such activity. Some say that by remaining in hiding we are tying our hands; limiting our chances for effectively reaching the public with our program. That is a fact. Undoubtedly, as an underground organization, we do not have such easy access to society as groups and organizations that operate openly. However, let us look at our lack of overtness from a different point of view. Society must understand why there is an opposition movement and what its causes are for which we are remaining in hiding.

By persisting in the underground, we are demonstrating that we do not trust the new political arrangement in the country nor any of the transformations. We simply do not believe in their permanence.

Moreover, the economic situation in the country is so disastrous that we are expecting the possibility of spontaneous social outburst. In such a case, an organization that assists from the underground would be very useful.

Another extremely important issue, which distinguishes us, is that we are steadfast in our position that cogoverning with the communists cannot and should not take place. Such was the will of Polish society expressed during the last elections when it demonstrated that it does not want anything to do with the communists.

We do not believe that the existing system can be reformed. That is why it should be done away with. Our goal is free elections and a free Poland. We want society to decide for itself about its future and to appoint its own true representatives. We feel it is criminal that people who should have stood trial for crimes against the state and society are still in actual authority.

[Stasik] The rejection of the system of government of the PRL, the building of a democratic and free Poland—this is a goal toward which other independence groups in the country are striving. Is this activity cohesive?

[Kubasiewicz] Fighting Solidarity is ready to cooperate with all organizations that strive to abolish the communist system in the country and in the world. In May of 1989, the First Conference of Independence Organizations and Activists took place in Vienna. Besides Fighting Solidarity, representatives of PPN [Polish Independent Party], of the Liberal-Democratic "Independence" Party, the "Samostanowienie" [Self-determination] Political Group, the "Independence" Organization of Liberal Democrats, the "Wyzwolenie" [Liberation] WSN [Freedom, Justice, and Independence] Federation, the "Baza" Democrats Union as well as representatives of the young and old political democracy including representatives of the London-based Government with the current president of RP [Polish Republic], Stefan Kaczorowski, participated in it. The purpose of the conference was to find a common ground of activity of the independence opposition.

It is worth quoting here one of the documents adopted at the Vienna conference: In the response "To Poles at Home," we read:

"Only in a free Poland can free elections to the Sejm and to the Senate be held.

"We are fighting for an Independent Poland.

"Full democracy is possible only in an independent country.

"Every Pole has an inalienable right to an independent Homeland.

"Let us not be afraid to think about this; let us not be afraid to demand this; let us not be afraid to fight for this independence. Only in this way can we live with dignity and honesty. Only in this way can we implement our aspirations and become citizens of Europe with full rights to which our culture and history of the pioneers of democracy predisposes us.

"We are fighting for such a Poland."

[Stasik] The West has recognized that the opposition has already secured a democratic Poland.

[Kubasiewicz] I feel it is very important to demonstrate to the West that there are organizations that represent outlooks on Polish reality other than the so-called constructive opposition. In my opinion, this does not represent an opposition! It tries to find a place among the authorities, i.e., to find a way into the new system.

The task for a real opposition group is based on keeping a watchful eye on everything so as to force the new system by means of its firm and clear stand to declare whether it is with the communists or against them.

[Stasik] And is it with the communists?

[Kubasiewicz] Yes, it is. However, not everyone realizes this and that is why when situations will be created in which it will be necessary to declare oneself clearly for or

against, there will undoubtedly be those in this new system who will back out of it.

Cooperation between organizations that are indeed independent should, therefore, also be based on creating a joint front compelling this new system either to defend genuine social interests or to reveal that it is defending solely the interests of the communists owing to whom a portion of the so-called constructive opposition has found itself in the privileged social class. In other words, a decisive attitude of a real opposition group will force the "constructive" ones to take a clear stand.

[Stasik] The "constructive" ones seem to have already taken the most unequivocal stand.

[Kubasiewicz] Both the communists and the new government are mutually interdependent because the communists needed the help of neosolidarity (Walesa and his people) in order to retain actual power. On the other hand, neosolidarity would never have obtained the positions it has currently had not the communists needed it to be so.

[Stasik] You said that SW is ready to cooperate with all organizations that aim toward the elimination of communism at home and in the world. In the world meaning where, for example?

[Kubasiewicz] From the beginning of its existence SW has made efforts to establish contact and cooperation with organizations and people fighting for the independence of their countries. This pertains, in particular, to Lithuania, Latvia, Estonia, the Ukraine and Byelorussia. We have edited and published papers and fliers in the languages of those countries and they were widely distributed there. These actions were the subject of "particular concern" to the KGB. We felt that it was very important to disseminate our ideas among nations oppressed by the communist system. It was important to us to create a united front of struggle with communism. In these texts, we stressed that SW recognizes today's borders and is of the opinion that all controversy in this regard should be dropped. We have also made contact with Hungary and have distributed fliers in their language.

[Stasik] You have taken on the function of chief of SW's Foreign Organizations. What does your work consist of?

[Kubasiewicz] What is of utmost importance is to organize assistance which would enable the development of our organizations' activity. I am looking for contact with people who want to and can help us in terms of finances, in obtaining equipment and disseminating our ideas. I wish to point out here that assistance from the West, surrounding which there was so much propaganda uproar, is not the kind that the opposition can count on. This is assistance allocated solely for Walesa's "program."

I am also in charge of coordinating the activity of our representatives in many Western countries, in the

United States, Canada, Australia, the FRG, England, Norway, Sweden, Greece, Switzerland and Italy, among others. They are trying to gather about them supporters of our organization.

Together with Rafal Gan-Ganowicz, we have founded the Association of Friends of Fighting Solidarity (Association des Amis de Solidarite Combattante 20, rue Legendre, 75-017 Paris) in Paris through which we are organizing financial assistance for Poland. I am also in regular telephone contact with Poland and I am involved in conveying information to the French press and radio as well as to Polish language broadcasting stations.

Cooperation with the Paris KULTURA is working out very well. Fighting Solidarity can always count on it. We also run across assistance from the Institute for Democracy in Eastern Europe with its headquarters in New York.

Of the home organizations that have their branches in the West, we work in cooperation with "Independence." I also have legitimate hope for even closer cooperation than thus far with PPN.

When I was leaving Poland 2 years ago, I was leaving with the assumption that the scope of my work should include all those who are united in activity and support for Fighting Solidarity and that I should combine our activities on behalf of that which is our common goal—a free Poland in which the government will, indeed, be chosen by the people. And this is what I am fighting for.

#### **Interior Ministry's Bugging of Hotel Rooms Viewed**

*90EP0524A Warsaw TYGODNIK SOLIDARNOSC  
in Polish No 17, 27 Apr 90 p 3*

[Article by Zdzislaw Uniszewski: "The Eavesdroppers"]

[Text] On Premier Mazowiecki's desk appeared a report on the illegal installation by the Security Service of listening devices in practically all the hotels in Poland. On the occasion the equally illegal surveillance of hotel guests and personnel by that service was "revealed."

Earlier, photographs illustrating these practices were shown on a prime time broadcast of the Polish Television News.

No one at the top central or voivodship levels of the MSW [Ministry of Internal Affairs] would admit knowing anything about the uncovered bugs. I believe that the coincident resignation of five MSW generals was accidental.

On 30 March domestic and foreign reporters present at a conference of the government press spokesperson (summing up the visit of Premier Mazowiecki to the United States and Canada) voiced their interest in forms of the activity of the security service in Polish hotels. They learned that this concerns not only the facilities operated by the Orbis Enterprise, where the scandal had first

surfaced. Malgorzata Niezabitowska mentioned to the reporters the above-cited report to the Premier and briefed them about the information it contained. Following the conference, she recommended that I be given a copy of the note prepared at the URM [Office of the Council of Ministers] on whose basis she had answered our questions during the press conference.

Here is the text of that official note:

In connection with the uncovered instances of existence of listening devices in hotels, the minister of the internal market has appointed a commission which inspected 29 hotels of the Orbis Travel Enterprise. The interviews and investigations established that:

—At 28 hotels the SB [Security Service] occupied permanently allocated on-duty rooms. On the days of the inspection (19-23 March) at 25 hotels these premises were already vacated.

—At 22 hotels the presence of listening devices in hotel facilities was not established, but at 10 of these hotels it is believed that such devices existed or perhaps still exist. This is demonstrated by the following incidents at the hotels:

Cracovia in Krakow: 5 years ago bundles of cable of unknown purpose were found under baseboards in guest rooms;

Polonez in Poznan and Prosna in Kalisz: so-called "heads" serving to connect telephone lines independently of the hotels' telephone exchanges were discovered;

Helvetius, Marina, Posejdon in Gdansk: the existence of so-called telephone crosses.

—At five of the inspected hotels the existence and utilization of listening devices was conclusively established.

—The Security Service on the territory of the hotels decided on the hiring of individual employees, especially receptionists and floor attendants. It was also interested in guest registration and the allocation of rooms.

General remarks:

—The activities of the Security Service at hotels were in no way regulated nor sanctioned.

—The general director of Orbis has placed the management of the hotels under the obligation of immediately notifying the Procurature about any case of discovery of listening devices.

—In the light of these findings it is proposed that:

the Security Service be removed from all Orbis hotels;

listening devices be removed from all hotel facilities;

the surveillance of hotel guests and personnel be discontinued, with the exception of cases sanctioned by the Procurature;

problems relating to the safety of hotel guests, including those concerning the scope of activities of inspectors-hotel detectives, be legally regulated;

the management of non-Orbis hotels be asked to take similar decisions concerning their facilities.

Throughout the world the political police avail themselves of techniques of operational intelligence gathering. Apart from a few instances sanctioned by the procurature or by parliamentary commissions, such gathering is in the nature of obviously or partially illegal activities. Secrecy or confidentiality of action applies.

The nature of certain activities of the political police always conflicts with the scope of constitutionally guaranteed civil rights and freedoms, and in every country the problem reduces to the scale of these occurrences and the question of the manner in which operational intelligence is gathered, the access to that intelligence, and its actual and undeclared utilization. The scale of the eavesdropping on and surveillance, monitoring, searches, and preventive detention of citizens, as well as unfounded demands for personal identification, in Poland, exceed the rational bounds when compared with the practice in countries with higher crime rates. Our scale is characteristic of a totalitarian state where the forces and resources of secret services are expanded to monstrous dimensions in order to cope with the struggle against the society itself, and moreover at the society's own expense.

The ramified and costly installation of listening devices in hotels to the extent now revealed is not a question of mere caprice by a couple of local officers fascinated with studying mores behind the closed doors of another's bedroom, and it is not sanctioned by law and social interest. Such "investigation of secrets of the alcove" is becoming an instrument of blackmail, of the collection of so-called compromising evidence, and of discrediting individuals—even after years—in the eyes of public opinion. It also is a way of building the myth of the omnipresence, omniscience, and omnipotence of the security service. It is intended to spread fear and uncertainty among even law-abiding persons.

I hope that a reasonably vetted Procurature under the guidance of Minister Bentkowski inspects at least once, professionally and thoroughly, the ears of the security service.

## HUNGARY

### U.S. General Butler Interviewed

25000707C Budapest NEPSZABADSAG in Hungarian  
19 Apr 90 pp 1, 3

[Interview with U.S. General G. Lee Butler, by Peter Vajda in Budapest; date not given: "After Military Judges and Physicians ... Will Hungarian Officers Receive Further Training in the United States?"—first paragraph is NEPSZABADSAG introduction]

[Text] Three Star General G. Lee Butler is one of the highest ranking American military leaders to visit Hungary. The commander of the strategic planning group that works alongside the chairman of the Joint Chiefs of Staff conferred with leaders of the Ministry of Defense and the Hungarian Army. After the discussions he granted an interview to NEPSZABADSAG. The following is a somewhat abbreviated transcript of the interview.

[Vajda] General, would you have anticipated a visit like this a year and a half ago?

[Butler] I felt that an opportunity like this would be inconceivable during my entire official career, moreover in my lifetime....

[Vajda] What was the purpose of your brief visit, and what are your impressions?

[Butler] The purpose of my visit was to examine available opportunities for broader relations between our armed forces. We call these "programs among soldiers." We started these programs with the Soviet Union in this region two years ago. I have also conducted negotiations on this topic in Warsaw, and now Budapest is the third place where negotiations have been held with high-ranking military leaders; we agreed upon a broadly based exchange program.

[Vajda] On what, specifically?

[Butler] Contacts will be established among military historians, professional administrators of military justice, and physicians; there will also be sports relations, and there will be occasions when lecturers at military educational institutions will exchange visits. A group of American military lecturers has already visited Hungary. There will be high level visits similar to the present visit, and I have invited my partner, Colonel General Biro, to be my guest in the United States. This is a broadly based, useful program.

[Vajda] General, what follows after the military judges and physicians? What are the subsequent steps?

[Butler] We will continue negotiating, probably in the form of exchanging letters....

[Vajda] I just heard today that a certain NATO country is entertaining the idea of providing assistance for further training to a Hungarian officer or officers. Could it be that there will be an opportunity like this in the United States at a later date?

[Butler] I have examined this possibility already; some work has to be accomplished at the staff level so that a few young Hungarian officers may study with us. We have cooperative relations like this with many countries in the world, and I hope that the Hungarian military officers will also have an opportunity to receive training in the United States.

[Vajda] Do you expect a positive decision? Are you optimistic in this regard?

[Butler] I do not regard this as a complex issue and I am very optimistic.

[Vajda] What is your impression after negotiating with Hungarian military leaders?

[Butler] I think that it is of the essence that the Hungarian military leadership very much expects to establish proper relations with the new, leading Hungarian political organs. All of them view the dramatic events that have taken place in an extremely positive manner. In my judgment they have an outstanding awareness of their constitutional role, and they recognize the fact that the president of the republic is the commander in chief of the army. I was deeply impressed by the fact that the military will become an important factor in the new governmental structure that is evolving in the country.

[Vajda] If I may change the subject, much has been said these days about the enemy image that has been left over from the past, and about erasing that image from military life. Obviously you must also have faced this problem.

[Butler] This is a very important issue, and I want to give you a straight answer. Not only does my government not regard Hungary as a hostile country, we also want to renew our warm relations, the past of which spans many years. And here I mean the relationships between the governments and the people. In our view the events of the past six months are historic. The fundamental goal of my trip is to take important, new steps in building relations. A new era has dawned in the history of European security relations.

[Vajda] What is the chief characteristic of this era, in your view?

[Butler] It is the end of the bloc mentality and of East-West confrontation. In my view the difficult era of the past 40 years has come to an end, and it has been possible for this to happen because Mr. Gorbachev made fundamental changes in Soviet foreign policy, and took a new approach to the matter of self determination. Quite naturally, it will take some time before the new system of relationships is developed between governments. We, who called ourselves the Western party for 40 years,

believe that within the foreseeable future the political and military organization of NATO will become a very important tool by which political integration and coordination will take place under new conditions of security.

[Vajda] As you are aware, various advance indications exist regarding the future of the Warsaw Pact. And what is the future of NATO? And further: Will a unified Germany be part of NATO?

[Butler] My government's view is that since the North Atlantic Alliance was based on a voluntary relationship of partners from the outset, and since it is not only a collective security organization but also a political organization, i.e. it was different from the Warsaw Pact from the beginning, we do not believe that the fate of these two organizations should proceed on parallel tracks. We maintain continuous contact in this regard with our NATO partners.

[Vajda] Accordingly, in regard to NATO your thinking has not changed, i.e. you would continue to support the membership of a unified Germany in the North Atlantic [Treaty Organization].

[Butler] It is the government's view—and we said this to Mr. Gorbachev and others very openly—that it would be useful for a unified Germany to remain within NATO. At the same time, however, this NATO would be much more a political than a military organization, which keeps alive and enforces American interests and influence in maintaining European security. And we believe that this coincides with our partners' related wishes in the foreseeable future.

#### **Last Soviet Unit Removed From Esztergom, Burlakov Comments**

25000707G Budapest NEPSZABADSAG in Hungarian  
21 Apr 90 p 5

[Article by Laszlo Sz. Bela: "Through Valleys and Mountains: Soviet Troop Removal Is Progressing at a Good Pace"]

[Text] The train carrying the last 27 tanks rolled out of the Esztergom barracks of the Soviet armored unit at 1158 hours. With that the withdrawal of Soviet weaponry in the Esztergom area is complete; only the units guarding the objects, and later liquidating the objects, remain.

General Matvej Burlakov, commander of the Soviet Southern Army Command, was present on the occasion. He had this to say at a press conference: As of 20 April a new phase of troop removal began. This is far more intensive than before. Yesterday, trains departed from five command posts or stations in Hungary. Thus far more than 900 combat vehicles (tanks, armored vehicles), about 40,000 tons of materiel, and about 2,500 Soviet citizens, including 260 family members, have left the country.

As General Burlakov explained, Hungarian data with regard to the number of trains differs from Soviet data. Hungarian organs consistently define 35 railroad cars as a train, while the Soviet party regards far fewer railroad cars as a train, for example, in the case of ammunition shipments a train composed of four or five railroad cars is regarded as a train.

In response to a question, the general said that in his view Hungarian journalists do not view Soviet troop removal in a sufficiently objective manner. He invited those who question the condition of transferred military establishments to the next transfer which will take place in Veszprem, or to any other transfer.

In conclusion the general pointed out that troop removal and the removal of materiel continues according to plans, and that no disturbing factor or accident whatsoever has affected the pace. Based on experience gained thus far, they are certain about being able to comply with the June 1991 deadline, the general said.

## **YUGOSLAVIA**

### **Effects of New Laws, Reforms on Military Life**

90EB0316A Belgrade NARODNA ARMIJA  
in Serbo-Croatian 1 Feb 90 pp 7-10

[Unattributed interview with Colonel General Mica Cusic, Federal Secretariat for National Defense undersecretary; date and place not given: "The Beauty and Attraction of the Military Call Up"]

[Text] [NARODNA ARMIJA] The area of which you are in charge in the SSNO [Federal Secretariat for National Defense], in your capacity as undersecretary, in the broadest sense includes personnel problems and standards applicable to active military and civilian personnel. Do we have a long-term policy here, and how is it augmented and implemented?

[Cusic] First let me say something about this "area" of command. According to the regulations in force, stated as briefly as possible the undersecretary's work includes elaboration and implementation of the fundamental principles of personnel policy in the JNA [Yugoslav People's Army]; a system for supplying the armed forces with active military personnel, civilians working for the JNA, and reserve officers, and for regulating their status; standards applicable to the active military personnel and civilian personnel serving the JNA; directing the work of the Personnel Commission in the SSNO; conduct of secondary procedures in these matters and ones which the federal secretary for national defense has assigned to the undersecretary. In addition, the undersecretary directs the work of the Coordinating Body of the SSNO for housing policy, over which the federal secretary for national defense has jurisdiction. The undersecretary directs the work of the SSNO Commission on Interarmy Cooperation (visits, military technical cooperation, training, etc). He is a member of the Federal Council and

the International Relations Commission of the SIV [Federal Executive Council], and he represents the SSNO on the SIV and in the Yugoslav Parliament during discussion and enactment of regulations in the area under his jurisdiction. Together with the editor in chief of the project, he is currently coordinating and working on the writing and publication of the monograph "Razvoj OS 1945-1985" [Development of the Armed Forces, 1945-1985].

#### Long-Term Personnel Planning

[Cusic] In this area, as in all other SSNO matters, without a long-term policy complying with the legal and implementing regulations established by the criteria for planning and consistent application of established standards, it would not be possible to control the armed forces or to perform all the basic functions assigned to them, that is, defense of the territorial integrity and preservation of the constitutional order of the SFRY.

Addition to established standards is a permanent mission, because the changes and dynamics of the development of society are such that the conditions under which our armed forces are carrying out their missions are continually changing. The standards should be amended often and in a much more stable political and economic situation than the one in which our country finds itself today. I will give the sole example of the amendments to the law on service in the Armed Forces. The law was enacted in 1985, and substantial changes were made in it in 1988 and 1989. Now, proposed new amendments have been forwarded to the SIV and the Yugoslav Parliament, and a complete overhaul of the law is planned.

The need for long-term, timely, and precise planning in this area is best illustrated by the example of acceptance of university students into intermediate military schools. The 1991-1995 plan to be adopted this year calls for acceptance of 1995 students. These students will complete intermediate military school in 1999 and the Military Academy in 2003 or 2004 (the engineering academy). In effect this means that we must have all parameters of personnel needs firmly established 15 years in advance, because a suitable personnel policy is not possible without them.

#### Better Evaluation of the Work of Officers in Troop Units

[NARODNA ARMIJA] Our defense concept is based on man, with all the virtues he must possess in order to be a successful defender of the country. Even more is expected of the commander, who is also an educator of the young and is responsible for their life and work. What is being done to evaluate this creative work of the troop commander more justly and fairly?

[Cusic] Our efforts have been and are directed toward having the work of every member of the JNA evaluated on the basis of the difficulty and complexity of the duties he performs and on that of the total work relationship.

Troop commanders have been taken into account in all previous modifications of the remuneration system. The work of the troop unit commander is evaluated in accordance with the compensation for field service, so that on the average they are paid about seven percent more than active military personnel not in the field. The highest compensation for field service is paid to squad and platoon leaders and company commanders.

The regulations on individual income in the JNA also provide for a special one-time bonus for the field commander who achieves outstanding results in his work.

Because of the characteristics of their service, field commanders also receive more compensation for other entitlements. They are paid per diem for official travel, the amount being increased by 20 percent for a nonwork day and 30 percent for a holiday. It has been made legally possible to pay for overtime work. They receive full per diem for field travel, along with free quarters and rations. They receive length of service benefits. Subscription rations at an accessible price are provided for single personnel and active military personnel who live separate from their families. Active duty single military personnel are also provided quarters at military installations at favorable prices, and those for whom this is not provided are paid compensation for increased housing costs in the amount of 50 percent of the cost incurred by living apart from their families. They have a certain advantage in solving the housing problem. They receive preferential treatment when transferred, including the right of a spouse to extended disability and pension insurance if the employment relationship is terminated because of transfer of an active military person for the needs of the service.

It is important to note that the supplementary payments and compensation are specially evaluated for specific field duties, such as those of pilots, submarine personnel, the border service, and so forth, and the legal possibility has also been created of paying for overtime work.

#### Payment to the Best, Not to "Key" Personnel

[NARODNA ARMIJA] It is a constitutional obligation deriving from the characteristics of our federation that commander personnel be proportionally represented in the most responsible positions in the armed forces. How can such requirements be reconciled to the fact that year after year the response for military schools, especially from the economically advanced republics, is declining? To be more precise, to what extent does the ethnic "key" shape personnel policy and what needs to be done here to upgrade the situation?

[Cusic] The question is a good one, but it is not stated correctly. First of all, there is no constitutional obligation of "proportional representation." What the constitution does require is "the most proportional representation possible of the socialist republics, socialist autonomous provinces, peoples, and nationalities," something that differs considerably from your formulation. This provision creates the obligation on the part of all subjects of

society to commit themselves to carrying it out. The extent to which this constitutional standard can be applied will depend on the extent to which and on how we engage collectively in carrying out this mission, as well as on several objective factors. The Federal Secretariat for National Defense and other armed forces institutions are doing their part of the job professionally and efficiently, while certain others, such as the SSO [Socialist Youth League] of Slovenia and their publication MLADINA, are acting in the opposite direction and are turning young people away from the military profession.

However, it should be pointed out here that belonging to a region or ethnic group is not the main or sole criterion either in selection of military school students or in promotion in position or rank. The best always have the advantage, and only when two or more candidates meet all requirements equally well may priority be given to those of whom there are fewer on active duty than are represented in terms of percentage in the population of Yugoslavia. Consequently, in personnel management priority is not assigned on an ethnic basis, nor are ethnic criteria applied. The current percentage of representation, in the highest ranks for example, is much closer to the percentage of representation among officer cadres and to that of republic or province origin than it is to ethnic membership. I want to point out here especially that all cadres on active duty, almost without exception, are Yugoslav oriented and that the stories about ethnic criteria are told mostly by individuals who for some reason or other are dissatisfied and who, generally speaking, do not achieve outstanding performance in their work.

#### **The Size of the Call Up Reduces the Response**

[NARODNA ARMIJA] In this connection what, in your opinion, are the real reasons for the declining interest in military schools, especially in the economically developed areas of the country?

[Cusic] We talk and write constantly about the declining interest in military schools. There are many reasons, and they boil down mostly to the material situation of the active military personnel. This is only partly true, because it has been reliably determined that this is not the main reason today, because work in the JNA is rated higher than it ever has been in the past. Consequently, I believe that the reasons today are primarily situational in nature. We know, for example, that in some areas the declining interest is due to the low birth rate, while in other areas the response is unsatisfactory even though the birth rate is high. In the more developed areas, in which the standard of living is high and there are more employment opportunities, it is normal for there to be fewer candidates for the military schools. Following this logic, we should expect that the response would be very great in areas with a high unemployment rate or in the less developed ones. This is often not the case, however. Hence it seems to me that more and more reasons are coming to the fore that derive from the decision

regarding profession, such as the characteristics and size of the call up, its position on the scale of values applied by young persons, the obligations of the active military personnel, the uniform, the regulations whereby members of the armed forces are placed in a special position relative to other professions and civilians, etc.

Along with all the other factors, the effect of the socioeconomic and political situation in Yugoslav has been especially heavily exerted in recent years. Especially aggressive in this process are nationalism, separatism, and attacks on the armed forces and their members; this turns some young persons away from reporting for service in the JNA. Unfortunately, the writings about the JNA as a fascist-colonial and conquering army are not answered properly by responsible persons in society in these areas, and under these conditions it is difficult to expect greater response by young people to the military schools.

#### **Security in the Service**

[NARODNA ARMIJA] Will the reform measures in society contribute to improvement in the reputation of the profession of the commander personnel of our armed forces, or will their reputation decline on the list of occupations?

[Cusic] It is difficult to foresee whether the reputation of the profession will decline or improve. It is especially difficult to link this matter to the reforms being carried out in our society. However, I do think that the reputation of the JNA as a whole, and of its leaders and active duty personnel, has improved because of the unequivocal determination that the JNA is to continue to be national and Yugoslav, the clearcut determinations in all the reform dilemmas and the unshakable resolve that Yugoslavia must continue to be a federated and socialist community, the exponent of original sovereignty, at the same time that all processes of democratization and progress of civilization are supported, the readiness of the JNA to carry out its constitutionally determined missions at any time, that is, guaranteeing the inviolability of the borders of the SFRY and preventing anyone from destroying the constitutionally determined social system of Yugoslavia, and the firm determination that the JNA will continue to be the backbone of the national defense system and that the national defense concept will continue to be developed and promoted.

[NARODNA ARMIJA] What have the most recent amendments to the law on service in the armed forces done and how are they reflected in the stability of the military draft and security in the service?

[Cusic] The amendments and additions to the laws on service in the armed forces are limited in nature. They have been in effect for only a short time, but they have already yielded certain positive results. The problem of the drain of cadres that had steadily increased beyond about 35 percent and the questions relating to the training of individual categories of cadres have been resolved more satisfactorily, and the standard of living of

members of the armed forces that has been reached has been maintained during very unfavorable economic developments. The social, political, and economic changes are continuing, and some of the provisions of the law will have to be amended again.

#### **The Influence of the Public on the Writing of Regulations**

[NARODNA ARMIJA] Consequently, the army portion of the public is informed about the provisions of the new regulations, that is, the provisions regulating essential problems, chiefly because they often see the light of day only after they have been stamped "from the garrison." Can the army portion of the public be called upon in a timely manner, that is, even more frequently and almost without exception, to participate in the shaping of new decisions, without explanation not restricted exclusively to a small group of persons at the higher command levels?

[Cusic] Under current practice, when major changes are made in the regulations applicable to important matters in the life of JNA members, draft regulations are regularly forwarded to units and establishments for comments and opinions. Hence the only question that can be asked is that of whether all the personnel in all units and establishments have been informed of the proposed updates and have had them explained to them. Units and establishments can hear the opinions of any JNA member who wants to express them. Along with the draft regulations forwarded to units and establishments through official channels, personnel are also informed of certain proposed solutions by the armed forces press. However, I do agree that more should be done at this level than has been done in the past.

[NARODNA ARMIJA] The questions of the status of civilians employed by the JNA are objects of constant concern by the armed forces leadership. This, we venture to say, is a logical consequence of the greater role of this category in our armed forces. What is being done to improve their status, of course in accordance with the requirements and needs of society, and what influence is exerted by the trade unions?

[Cusic] Matters relating to the status of civilian employees of the JNA are regulated by the law on employment by the armed forces. These legal decisions are reconciled with the corresponding solutions in society, the particular features of employment by the JNA being taken into account.

The law on basic rights in employment relationships of a federal nature recently went into effect, and the corresponding republic and provincial regulations are to be enacted. In view of the decision that has been made on monitoring decisions in society, our regulations will also be amended, if this proves necessary.

The position of the army leadership is also clear as regards the role and participation of a trade union

organization of civilians employed by the JNA in regulating and resolving questions relating to the status of personnel in this category. Within the context of the special characteristics of service in the JNA, it appears that everything is done to enable this union organization to take active part in resolving all questions relating to civilians.

The importance attached to the work of the union organization is also illustrated by the fact that it is an established practice for the federal secretary for national defense each year to receive a delegation from the Organization of Federations of Unions of civilian employees of the JNA. Questions and problems which these persons observe in life and work are dealt with on this occasion. The problems brought up are studied and ways and means are found of solving them, if a legal basis exists for doing so, of course. In the future the armed forces leadership will continue to try to find the best possible solutions to the status problems of civilian employees of the JNA, to enable the union organization to perform its function, and to create conditions for implementation of the decisions arrived at, something that will depend among other things on the activity of each individual basic organization.

#### **Evaluation as Stimulus**

[NARODNA ARMIJA] Evaluation of the results of the work of civilians as a basis for remuneration has recently become a stumbling block, mostly because of the variety of criteria and subjectivism. Will the points to be applied in place of ratings during the next evaluation contribute a new quality to evaluation of the effect and encouragement of creativity in work?

[Cusic] Evaluation of the results of the work of civilian employees of the JNA, as an incentive element in the individual incomes of personnel on the basis of routine work was introduced in March 1985. In addition to its significant impact on the level of individual income, evaluation of the results of work also has an effect on realization of certain rights, among others those based on employment by the JNA.

The analyses made in evaluating the results of work of civilians, from the time of its introduction to today, indicate that the number of complaints about evaluation of the results of work have been decreasing from year to year. In 1987, for example, complaints were filed by 8.13 percent of the total number evaluated, and by 5.37 percent in 1988. This indicates significant improvement in carrying out the procedure and in the method of rating the results of work, along with a more mature attitude by civilians to the results of their own work.

The most recent changes in the method of evaluating the results of the work of civilians, which rates in points rather than by the conventional ratings, are the result of opinions gathered in public discussions at military posts, with the active participation of sociopolitical organizations, (trade union organizations, SKJ [League of Communists of Yugoslavia] and SSOJ [Youth League of



Yugoslavia] organizations), also for the purpose of eliminating the deficiencies observed in practice in this context. Under the previous method of evaluating the results of work, the incentive could vary by 2.5 percent of the individual income because of an insignificant difference in the level of the evaluation. The new evaluation method eliminates this irregularity. An individual income incentive of 0.1 percent is prescribed for every positive point awarded. In addition, this more clearly points up the unquestioned difference between the official active military personnel rating and evaluation of the results of the work of civilians.

In any event, it is to be expected that the new method of evaluating the results of the work of civilians will result in higher quality because of the possibility of grading persons more closely, something that will of course encourage better and more creative work. It must be said, however, that this will depend primarily on the objectivity of the grader. This matter cannot be resolved by regulations.

#### Standard of Living

[NARODNA ARMIJA] Can the incomes of JNA members keep pace with inflation, and are any changes to be expected in this respect in connection with the 1990 economic policy that has been announced?

[Cusic] The public is aware of the JNA's determination to make the standard of living of its members commensurate with that of the workers of Yugoslavia. If this were not to be the case, the army would lose its national character. The Army has thus far made certain that the individual incomes of JNA members parallels the incomes of workers in the economy of the country, and it will continue to do so.

#### The (Un)attractiveness of Transfers

[NARODNA ARMIJA] Is the number of transfers of active military personnel still limited, and if so, why?

[Cusic] There have been no changes as regards the limit on the number of transfers (six) of active military personnel.

For the majority of active military personnel transfers are not such an unfavorable solution as is usually thought. In certain situations transfers are extremely attractive to service members. This applies in particular to cases in which a person is promoted or when some other favorable condition is created for transfer.

In view of the fact that transfers involve heavy expense both for the army and for the persons transferred, it is quite understandable that an effort will continue to be made to have as few of them as possible. Of course, the needs of the service will continue to come first, but the wishes of individuals will be given consideration to the extent possible.

It should be noted that there are several thousand requests for transfers every year. Of itself, this number is

not disturbing. What is disturbing is that the persons requesting transfers expect not only to be transferred to the garrison of their choice but also that all favorable conditions will be created at this post to the end of their careers, especially in the form of promotion in rank and position, and for the most part this is impossible.

#### How Is the Standard of Living To Be Maintained?

[NARODNA ARMIJA] The standard of living is not maintained exclusively by the monthly pay, although this is the basic item, but also by certain other measures.

[Cusic] Individual incomes are the most important element in the standard of living of JNA members, but the other elements are not forgotten either.

We do not anticipate the introduction of any special forms of material incentive in 1990, but all the existing ones will be retained, and will be augmented as required. I would like to point out that several measures have been introduced in the last two to three years in the area of the standard of living of JNA members: compensation for the higher housing costs of unmarried service personnel, free rations during troop movements and service at special military installations, compensation for part of rations during work, and compensation for part of the expenses incurred in preparing quarters for evacuation by service personnel transferred for the good of the service. The possibility has been introduced of compensating service members under certain conditions for living apart from their families without submitting a request for quarters. Under certain conditions the housing problem can be solved at the earlier place of service. There is compensation for the increased living costs of service members whose families reside in a community in which living costs are five percent above the Yugoslav average, compensation for part of the costs of educating children who go to school outside the area of residence of the family, compensation for extra duty details and guard service, and compensation for part of the costs of outfitting quarters for service members marrying for the first time. There are also other less important measures.

[NARODNA ARMIJA] Is there any good news we can publish for our readers at the beginning of the year in the area of status questions and the standard of living?

[Cusic] Until mid-1990 the standard of living will be governed by the laws enacted by the Parliament of Yugoslavia. Our mission is to try to keep the standard of living of service personnel at the current level. If we accomplish it, it will be a major success, and, of course, good news.

#### [Box, p 8]

#### The Response in Numbers

[Cusic] The opinion created among the public that we are suffering from a general crisis of response to the

military schools is not even approximately accurate, as is indicated by the following figures.

The response to the military schools, expressed in percentage, has been the following over the last ten years: 1980 100 percent (base year), 1981 79.9 percent, 1982 89.3 percent, 1983 94 percent, 1984 111 percent, 1985 128 percent, 1986 95.4 percent, 1987 80.8 percent, 1988 96.5 percent, and 1989 95.1 percent. As is to be seen, the rejection percentage was only slightly larger in 1981 and 1987, but in those years we had on the average four or five candidates for every place in the schools and academies. It is interesting to note that in 1989, despite all the campaigns against the JNA, the number of candidates from Slovenia increased significantly, from 168 in 1988 to 291 in 1989. Last year there was also an increase in the number of candidates from Croatia, from 957 in 1988 to 1,193 in 1989. These were the only two republics in which the percentage of applications for military schools in 1989 was smaller than the percentage of representation in the population of Yugoslavia. The response was very good in all the other republics.

[Box, p 9]

#### The Influence of the Trade Unions

[NARODNA ARMIJA] The role of a trade union organization is defined by the law on service in the armed forces. According to the law, a union organization may represent a civilian employee, at his request or with his consent, in exercise of his rights deriving from his employment relationship, and the union takes the initiative in resolving other questions relating to civil rights. In effect, this means that the opinion of the union

organization is solicited in all matters relating to civilians, or the union is included in resolving them in conjunction with the command elements. The command elements also participate in the work of the organs of this organization (SSNO [Federal Secretariat for National Defense] organs also participate regularly in the work of the Conference, when invited by the latter).

[Box, p 10]

#### Individual Incomes

[Cusic] For the sake of more consistent application of the principle of remuneration on the basis of work, an analytical evaluation will be made in the near future of the importance of table of organization positions in the JNA for active military personnel. We anticipate that this will contribute to better evaluation of the importance and characteristics of performance of military service and more stable relationships in individual incomes. It should be pointed out that even now the SSNO is exerting considerable effort to establish relationships between ranks and positions in the system of active military personnel individual incomes that will be stable over a prolonged period.

[Box, p 10]

[Cusic] The solutions arrived at in reform of the housing system in the JNA do not exclude the possibility of construction of new hotels for unmarried personnel, and also addition to buildings with flat roofs to provide smaller housing units. The apartments will be treated as military quarters and will be built, or added to, with budgetary funds and will be allocated for rental primarily by transferred active military personnel and unmarried persons. The volume and speed of construction will depend primarily on the funds available.

## DEMOCRATIC REPUBLIC OF GERMANY

### Transition to Market Prompts New Agricultural Initiatives

#### New Parameters Established

90GE0063A Frankfurt/Oder NEUER TAG in German  
14 Mar 90 p 3

[Interview with Egon Susset, speaker for agricultural policy, CDU/CSU [Christian Democratic Union/Christian Social Union] Bundestag caucus, by Siegfried Noelting, place and date not given: "He Who Acts Now, Commands the Market Economy"]

[Text] [Noelting] There is great unrest among the GDR's cooperative farmers about property arrangements and chances of survival. Are our farmers' worries justified?

[Susset] After studying actual situations, for instance, in Neuholland, Kreis Oranienburg, I have come to the following conclusion: Property arrangements are very sensitive. Let me get to the point right away: The conditions created by land reform should be maintained. Our minister of agriculture, Mr. Kiechle, shares this opinion. Past injustices cannot be erased by committing new ones. You see, there was also a land reform in the Federal Republic. Displaced persons, who had settled on newly allocated land, did not lose it. What concerns us, should not be any different here. However, how to deal with other forms of land [ownership]—I am thinking of church and state-owned land—must still be decided. Professionals and parliaments still have a lot to think about in this area.

[Noelting] Former property owners—counts, barons, and others—are already surfacing here and claiming "their" property.

[Susset] With regard to this, I will not mince my words. I am very disappointed in all those who create anxiety in these turbulent times. Such trips do nothing to help local farmers cope with their frustrations. Farmers should keep a cool head.

[Noelting] Does that also apply to the market economy which is moving into rural areas?

[Susset] Here, too, I must say yes; even though the transition will bring many problems. But, did it not also take our farmers a long time to adjust? We had time, of course, while you don't, and that complicates matters. But there are many farmers here, many excellent farmers, who are able to learn. My advice to chairmen [of cooperatives] would be to familiarize themselves promptly with the new requirements. That is their duty to the members and to the market. Of course, certain requirements must be met. Aside from having a feeling for management, a feeling is also needed for making good investments, for profits, costs, the ecology, etc. The

separation of plant and animal products must definitely be surmounted. Using the cooperative structure could work.

[Noelting] How do you feel about farmers who decide to become independent again?

[Susset] Let me first make a general comment. Who works with whom and how, is a decision farmers make for themselves. That conforms to our principle of freedom and to the constitution. They now have this freedom and what anyone does with it, is his own affair. But anyone who is thinking about a single-farm approach, must also ask himself about its utility and about the availability of proper machines, buildings, commercial animals, etc. To become independent and competitive takes time—a lot of time. If one looks at the local scenery one sees that it has changed over the years. Suddenly to carve out several hectares... I believe that individual farming is possible again. But it would be unrealistic to take such a step immediately. One must consider whether it is worthwhile to dismantle something before something else can take its place. Everybody probably knows the consequences of excessive haste.

[Noelting] I want to come back once more to the market economy which will be an unforgiving judge. Do you agree?

[Susset] When the unification of the two German states is realized, EC market policies will be adopted. And anyone who is not already preparing himself for this day, is unlikely to survive the battle for markets. Where, in my opinion, should one start? A normal relationship must be established between prices and subsidies and hard work, very hard work, is necessary to increase the quality of products. Efforts should be made to produce a range of items which the market needs. Not a rigid plan, but the workings of the market should be observed. The pattern must be adapted to such principles.

[Noelting] In conclusion, could you talk about some aspects of the Federal Republic's agrarian policy?

[Susset] Our agricultural scene is characterized by very productive, individually-farmed enterprises with an average size of more than 18 hectares. A consolidation process has also occurred. Many have given up and [many others] will follow suit for economic reasons. But was that a disadvantage? While the GDR averages 0.37 hectares for each inhabitant, the per-capita average for us is 0.19 hectares. Nevertheless, our self-sufficiency is assured in many areas and in some areas there is even a danger of overproduction. That speaks for the efficiency of West German farms.

Let me now turn to some agricultural policy questions. In view of the surpluses in our agrarian market, about 80 percent of agricultural-product allocations are subject to a quota system. That will not change. Because of price supports, many farmers receive government subsidies. Social security is an important aspect of this arrangement. Farmers and their families are protected here

against the vicissitudes of life by an independent agrarian social security system. That requires large subsidies from the federal budget. More than half of the agrarian budget is spent on the agrarian social system. In 1983 these federal subsidies amounted to roughly DM3.5 billion; DM5.33 billion are budgeted for 1990.

To return once more to your initial question about concerns—such concerns are understandable because many do not know what a market economy means and how it will affect the agricultural sector. If one thinks seriously about all this, one comes to different conclusions.

### LPG Chairman on Initiatives

90GE0063B East Berlin BAUERN ECHO in German  
20 Mar 90 p 3

[Excerpts from RIAS interview with Dr. Werner Meyer-Bodemann (DBD), chairman of the Wagun LPG, by agrarian correspondent Martin Irion: "Market Economy—Chance for the LPG?"—first paragraph is BAUERN ECHO introduction]

[Text] The course has now been set for a market economy. It is also clear that our farmers will be sowing and harvesting not just this year, but that they will be producing food for all parties for many decades to come. LPG [Agricultural Producer Cooperative] Chairman Dr. Werner Meyer Bodemann (DBD) [Democratic Peasant Party of Germany] from Wagun discusses with Martin Irion, the well-known correspondent from RIAS' rural program, the viability of GDR's agriculture and questions that concern our farmers most. The most important passages of this discussion are quoted below.

[Irion] Agriculture is one of the few components of the GDR's economy which still functions. Agriculture has the potential for growth; it needs no outside help, only fair conditions. It is ready to deal with future developments in Germany and Europe.

These statements are not subscribed to by everybody, but they can be defended. If anxiety and concern are spreading today in the GDR's agricultural sector, it is only because the future of agriculture is too uncertain. Does the West deliberately keep the GDR's agricultural sector in this state with disinformation?

[Meyer-Bodemann] We have excellent possibilities because of our large land areas. The yield could still rise considerably if pesticides, for instance, were available when they are really needed. To that extent I am optimistic that a market economy will lead to better yields and thereby to improved economic conditions.

### Economy Equals Money

We have to learn to treat even the last hectare of a large area the same as if it were the entire area since just that leads to economic success. In this context I want to say that in the Wagun region, for instance, we have a very modern agricultural testing station which allows us to

check the nutrient level of plants at any time. If this level is not in the optimal range, we can restore the plant to its optimum condition with liquid fertilizers in a very environment-oriented manner. In these areas we are definitely the equal of many enterprises in the Federal Republic.

Of course, we are at a disadvantage because of our relatively shopworn technology. Our plant protection equipment and fertilizer spreaders are very imprecise. But there is hope that this situation will improve soon and that we will also be able to work more effectively in these areas.

### Technology Is Missing

One disadvantage of our LPG's is the fact that we are very labor intensive; because of our past mistaken policies we lack the technology and there is much we have to do ourselves. Thus, we have a highly developed service sector in the LPG's and, consequently, many jobs.

I want to make one thing perfectly clear: Our cooperative farmers are coowners! Thus, the problem in the LPG's is not unemployment, the problem is to organize the service sectors in such a way that they can become independent.

This concept has been given much thought by our LPG's. We are also in the process of dispelling our cooperative farmers' anxiety about lower future earnings if stricter economic standards are now applied.

[Irion] If one were now to change the operational organization under these entirely different circumstances, one would logically proceed according to criteria of an operationally optimal organization. In other words one can asked, what is worth doing and what can be omitted. One could also adjust production to do more justice to location. Don't you see a marvelous opportunity here to proceed like an agricultural enterprise that wants to improve its economic performance?

[Meyer-Bodemann] I must say that we are, of course, still in a distinctly transitional phase. Up to 50 percent or two-thirds of the economy is still the planned economy of the past. There is considerably more freedom to initiate commercial ventures; there is entrepreneurial freedom. But we are still dealing with both types. We have very definite ideas in this regard, starting at the operational level. The area here comprises 5,300 hectares and two enterprises, one for animal production and one for growing crops. We are in the process of consolidating them, so that, as of 1 January 1991, we will again have one enterprise and, consequently, greater stability.

### Goal: 100 Double Centners

This approach will make us more flexibility and provide opportunities for specialization. That sounds contradictory, but one can actually say that specialization and flexibility are two sides of the same coin.

So far we have been exclusively engaged in growing crops. In view of the types of crops cultivated, growth is slow.

We already have ideas about restructuring production next year. For instance, we want to take 1,800 hectares of our land to concentrate specifically on high intensity cultivation but in a more environment-oriented way than in the past. In three to five years we expect our yield of wheat there to be 80 to 100 metric centners [100 kilograms]. We think this is a realistic goal.

In another area we will practice alternative farming on 300 hectares in a region which contains many wildlife conservation areas. This is a grassland area in which we have already worked for 10 years without using pesticides. These are opportunities. It is a way to enter the market economy with alternative products for which the market is known to be growing. That assures sales, even here in the GDR.

We have many ideas, even for marginal land. In our LPG's about 40 percent of the land is marginal, primarily low-lying marshlands. We will keep our activity there at a low level and work in an environment-oriented way while still increasing profits for the LPG's.

All in all, we are in pretty good shape since farming in the GDR, and here, has made good economic progress in the last five years.

#### Simple Beginnings

[Irion] You have told us that there will be no unemployment in the LPG since, after all, the employees are the members of this cooperative. On the other hand, the labor intensive industry handicaps economic management of enterprises. In other words, additional jobs must be found either within the enterprises or by eliminating certain activities from the enterprises. Agriculture is available for such expanded production. Here production and processing can take place within the enterprises; food products can be prepared for the market. Have you thought about this?

[Meyer-Bodemann] Here we will start very simply with grain cleaning facilities, so that in future we can offer high-grade grain, which is cleaned again after threshing. As far as we know, this is important in the EC market.

We intend to sell animal products after processing them up to a point. Sheep, for instance, are not economic here. Therefore, we plan to build a small slaughterhouse, so that we can slaughter the sheep ourselves and only sell the more valuable components such as legs and saddles while processing the rest in some other way ourselves.

We are also thinking of expanding the processing of other products and of considerably improving and solidifying existing relationships with other cooperatives; here we will also take advantage of the newly formed GDR Association of Cooperatives.

For instance, we would cooperate with dairies to produce a really high-grade milk.

As part of our plant growing activities, we plan to keep 25 horses for sports and social purposes. And since our scenery is beautiful, we also want to do something about tourism—by ourselves and not with Federal Republic establishments—so that we can generate income. Within this kreis and bezirk we will also become more active in the service sector to generate jobs.

#### Positive Influence

[Irion] Is the indebtedness of enterprises caused primarily by the interference of planned economy bureaucrats and not by their own mismanagement?

[Meyer-Bodemann] I also know, of course, enterprises whose indebtedness was really caused by their own, inadequate performance and by other shortcomings, but these constitute a very small minority. Most enterprises were simply badly administered [from above]. [Public] administration of the economy is wrong in principle.

[Irion] Can you still imagine or are you actually worried that agriculture in the GDR will be destroyed as a result of unification? Collectivization did violate the interest of farmers to a large extent; but something was now created here that makes economic sense. Changes in agriculture have cost the economy a great deal of money and were financed by the sacrifices of the people. If one were to change it a second time, it would again cost a great deal of money; moreover, one would revert to a condition which is known not to offer permanent solutions to future problems.

One more thought—There are serious structural problems in the Federal Republic. Small family farms require very large agricultural subsidies. And other types of agriculture exist in Europe. In France and England the agricultural structure is sound; there the farmers do not constantly clamor for higher prices. Thus, the GDR could, if it contributed what it has, become a positive influence for European integration and for economic sense.

#### We Make Ourselves Available

[Meyer-Bodemann] That is how I see it. In any case, I know of hardly any efforts for reprivatization. Here, in the territory of Neubrandenburg, at most five percent of the farmers want to make a new start by becoming independent. It is also known that—if farm subsidies were to be discontinued in the EC or the Federal Republic, which is a possibility—the farmers' standard of living would decline drastically in the Federal Republic.

For that reason there is not much movement in this direction in the GDR and I don't think that it will develop in the future. Basically, we will be able to maintain our structure. We are contributing something that is sound: a healthy agriculture with a chance for

growth. In my opinion, there is no party in the GDR which, for any political reason, calls for the liquidations of the LPG system. There are ecological requirements; there are economic requirements—that is correct. Those we have to address; but we could, in this sense, contribute something positive to the agricultural structure even in a unified Germany.

[Captions for photos not reproduced] There are peat bogs everywhere in the Wagon district. This organic substance is urgently needed for cultivating the soil. The holes that are left behind are to be stocked with fish.

Wagon farmers intend to practice alternative farming on 300 hectares along the shores of Lake Kummerow.

### **GDR, FRG Rail System Heads Interviewed on Cooperation**

90GE0069A East Berlin HORIZONT in German  
Apr 90 pp 48-50

[Interview with Herbert Keddi, general director of the DR [GDR railroad] and Dr. Reiner Gohlke, DB [FRG railroad] executive board chairman, by Prof. Christine Kulke-Fiedler, Institute for International Politics and Economics; place and date not given: "German Railroads in the Crosshairs of Europe"—first five paragraphs are HORIZONT introduction]

[Text] Opening the borders in the fall of last year has confronted the two large German railroads—the German Federal Railways (DB) and the GDR Railroad (DR)—with even greater tasks. To cope with the growing streams of people both carriers have since that time been cooperating very closely in the area of operations. Beyond that, they have utilized the past few months to jointly arrive at clear conceptual ideas about how their cooperation will continue to develop. One goal to gradually strive for might be a "German railroad" with a common management.

Herbert Keddi, director general of the DR, and Dr. Reiner Gohlke, chairman of the DB's executive board, agree in their opinion that coping with the DR's modernization requirements will play an important role in the immediate future. There is also agreement about the issue of quickly making people and the economy aware of the fact that the railroads are prepared to contribute to the German unification process. Joint projects which have been planned for the next few months include:

- first intercity and interregional train connections between important areas of industrial concentration in the two countries, effective summer 1990;
- push forward rapidly on starting up the Berlin-Hannover high-speed rail link;
- opening the important Arenshausen-Eichenberg rail border crossing;
- efficient offers for industry with combined transport (pilot projects), and
- improving communication between two railroads in respect to transporting passengers and freight.

It became clear at the DB's traditional annual press conference 22-23 March 1990 in Lahnstein that in a German transportation union, with the carriers competing among themselves, the intention is to jointly drive home the specific advantages of the railroad as economically and ecologically reasonable and to make them effective. This will require comprehensive state support and it should be provided—in the interest of the people, the economy, and the environment. In the history of German industry the railroad could once again be effective as an important motor for reunifying the parts of Germany. Moreover, as a principal for many industrial sectors, the DR, with its design for modernization and renewal, would contribute to job security.

For HORIZONT Prof. Christine Kulke-Fiedler of the Institute for International Politics and Economics in Berlin explored what questions motivate the heads of the two German railroads today as they look at Europe, since questions about unifying both German countries are on the agenda, and what the future of the railroad is in Europe.

### **Taking the Same Route in the Future**

[Kulke-Fiedler] Has the DR dissociated itself from the OSShD [Organization for Cooperation Among Railroads], the association of socialist railroads, and is it not moving only toward the West?

[Keddi] Many years of cooperation link the DR with the OSShD. This includes technical, technological, and commercial questions. The DR still sends the largest part of the flow of goods across the eastern borders. That is reason enough to continue to nurture and develop the good relations with our neighboring eastern railroads. Naturally the changes in Europe are likewise not bypassing such organizations as the OSShD. We would have to consider whether it would not also be in the interest of the East European countries to see a way to overcome the traditional split among the European railroads into separate railroad organizations. But that is certainly looking to the future.

[Kulke-Fiedler] Official GDR representatives have stated that the path to rapid rapprochement with the EC should be sought. Does the DR have any ideas as to how it might join in shaping this?

[Keddi] You are surely aware of the fact that the railroads of the EC countries have established their own organization, the Association of European Railroads. This is undoubtedly an efficient organization which is concentrating on such key sectors as high-speed networks, the logistics of international rail traffic and attractive offerings in international excursion and freight traffic. For a rather long time the DR has been watching this development with great interest. As soon as basic political conditions permit, the DR will apply for admission to this association as an associate member.

[Kulke-Fiedler] Mr. Keddi, the geography of the DR's transport system seems to practically demand offering efficient north-south and east-west transit opportunities.

[Keddi] You are right. Transit traffic is economically extremely attractive for the DR. Up to now its efforts have concentrated on the north-south dimension. East-west transit traffic was by comparison unimportant, owing not least to the likewise underdeveloped infrastructure in the direction of the GDR's western border. Of course, the DR was not responsible for this.

There has now been a fundamental change in the situation and with respect to traffic policy we are moving from a peripheral situation into the crosshairs of Europe. In order to catch up with the pent-up demand in our route planning we are currently involved in submitting recommendations to the responsible government offices. We are also doing this in the context of such proven structures as the UIC [International Union of Railways]. That is the International Union of Railways with headquarters in Paris which years ago rendered outstanding service in respect to this problem by developing a European master plan for infrastructure.

[Kulke-Fiedler] Previously known plans for a European, more precisely stated, West European, high-speed network did not extend in an easterly direction beyond Berlin. Wouldn't there have to be further thought about this?

[Keddi] Let me link this to the answer to the previous questions. The new version of the European UIC's master infrastructure plan surely contains a high-speed network which will also reach the capitals of East European countries. Naturally this ultimately depends on the railroads involved. And then there is still the big problem of financing, in this we are dealing with projects costing billions. Moreover, cooperation in this could be a rewarding task for the European East-West Bank for Reconstruction and Cooperation which is currently in preparation.

[Kulke-Fiedler] As I understand from what you are saying, the DR, in its design, offers extensive considerations for European railroad cooperation. Will you now go jointly with the DB to Europe, or do you prefer to continue to set the European signals for the DR alone?

[Keddi] The two German railroads have prepared for following a common path in the future. From my perspective that also includes cooperation with the other European railroads. So that the signals can quickly be set on green, the railroads need appropriate basic political conditions for this and for their own cooperation. In plain English this means that the design which has been jointly developed by the DB and the DR has the agreement of both German ministers of transportation and is being jointly supported by them.

German Railroads Compared	GDR	FRG*
Total Track (1988, km)	14,024	30,400
electrified portion	3,475	12,100
	(= 25 percent)	(= 40 percent)
Passengers Transported (in millions)		
1970	626	1,054
1980	3,435	1,165
1988	3,531	1,088
Volume of Passenger Traffic (in billions of passengers per km)		
1970	17.7	39.2
1980	22.0	41.0
1988	22.8	41.8
Freight Transported (in millions of tons)		
1970	262.9	392
1980	311.6	364
1988	349.4	310
Volume of Freight Transport (in billions of tons per km)		
1970	41.5	71.5
1980	56.4	64.9
1988	60.4	60.0

\*DB and about 100 nonfederal railroads

### New Opportunities for the Railroads

[Kulke-Fiedler] Is the DB currently looking mainly in the direction of the GDR or more towards Brussels?

[Gohlke] Both. But on the basis of the current situation priority is naturally in the direction of the GDR. The reason for this is simply the fact that in this case there is naturally a greater demand to catch up, because for years we have been focusing on the EEC which is to become a reality effective 1993.

[Kulke-Fiedler] Not only the GDR, all of East Europe is caught up in change. Does the Association of European Railroads take these new developments into account today?

[Gohlke] Of course, the opening toward the East impacts the deliberations of all European railroads, for after all additional new tasks are posed here and, what is perhaps even more important, new opportunities for the railroads. In this connection I would also state here that we are not starting at square one, but are in a position to build on improvements which have been introduced. This is true of the infrastructure, the rolling stock and for rapid border crossing. The high-speed network which the

14 European railroads have planned with 30,000 km of track can, for example, be supplemented in a meaningful and attractive way through connections to the economic areas of East Europe.

[Kulke-Fiedler] In a comparison of West and East Europe, the railroad in the CEMA domain, for example—omitting here the inadequacies—handles a far greater share of the flow of goods than in the area of the EC. Is it now time for a renaissance of the railroad in West Europe?

After all, it is an environmentally friendly carrier.

[Gohlke] There can be no doubt that the railroad is the environmentally friendliest carrier. Of course, as far as the future share of the railroads in the flow of goods is concerned, we must look reality in the face. Even in traffic with East Europe competition will blow in our faces with more vigor. In order to endure in this it is necessary to improve services, for only with attractive products and offerings can the railroad prevail in the face of the competition. In the EC area important directions have been established, yet additional decisions must follow, particularly those about what role the railroads are to play in the future and how their relation with the state is defined.

[Kulke-Fiedler] If the DB and DR are mentally joined together, the result for Europe would be a kind of east-west and north-south turntable. Would that not lead to completely new considerations for DB traffic route planning?

[Gohlke] Whether and in whatever form the DB and the DR are joined is a question for the political decision-makers. But you are absolutely right that the importance of Germany as a traffic turntable for Europe will grow substantially because of more vigorous cooperation between the DB and the DR. Thus, completely new considerations must, of course, not be posited. The goal of the ideas present in West Europe is to more quickly link economic areas together with efficient routes and attractive offerings. Nothing will change in this objectives. In addition, there must be such a connection or, better, linkage with the East European economic areas. This can be achieved by expanding planning of the traffic system.

[Kulke-Fiedler] Dr. Gohlke, what can, in fact, the DR with good intentions bring to cooperation with your railroad and the rest of Europe's railroads?

[Gohlke] If I take the "good intentions" which you cited as commitment, then that is quite something. Beyond that I would first like to mention the DR's staff workers who—and discussions to date have demonstrated this—with their full effort and great expertise represent a substantial potential for securing the future. Even if infrastructure and rolling stock in the DR sector are in need of improvement, it must also be noted that substantial means and resources exist and are available. Also, the strong position which the DR enjoys among its

customers must not be forgotten, even if in the future this will be subject to greater competition. Not least I hope that policy will set the right direction. Of course, current ideas sound optimistic. In any case, by way of summary, I anticipate synergistic effects from cooperation between West and East European railroads.

HORIZONT is grateful to both discussants and Professor Kulke-Fiedler for the friendly exchange.

## HUNGARY

### Central European Development Corporation Buys 50-Percent Stake in Bank

90CH0084A Budapest FIGYELO in Hungarian  
29 Mar 90 p 15

[Interview with General Banking and Trust Company (AEB) President Antal Beszedes, by Istvan Garamvolgyi; place and date not given: "Banker Mark Palmer Invests: 50-50 in AEB"—first paragraph is FIGYELO introduction]

[Text] The General Banking and Trust Company may not be so widely known in Hungary, at least not in enterprise circles, but it is very well known in international banking. This is evident, among other things, from the fact that a stake in AEB has been the first investment the Central European Investment Corporation has made out of its \$50 million capital. (Mark Palmer, the United States ambassador to Hungary until recently, is the chief executive of the Central European Development Corporation.) Thus AEB is now a joint venture. We interviewed its chief executive, Antal Beszedes, about the bank's fields of specialization, and its prospects of development since the infusion of foreign capital.

[Garamvolgyi] What are the unique characteristics of the bank's operations in the forint sphere?

[Beszedes] When commercial banking split off from the Hungarian National Bank, the customers with current accounts were divided among the new banks. We were left out of this and had to solicit our customers ourselves, usually from among the newly formed organizations and companies. We kept the current accounts of about 50 small companies and joint ventures at the end of 1987, and of about 150 a year later. Last year, 250 customers had current accounts with our bank. Even today, there are few medium-sized or large enterprises among the economic players who maintain current accounts with our bank.

[Garamvolgyi] What do you regard as unique from the viewpoint of acquiring loanable funds and of lending?

[Beszedes] The forint limit on loanable funds, and simultaneously the special composition of the customers to whom we lend. The forint limit stems from the fact that our loanable funds are limited to our time deposit and to rediscounting commensurately with our capital. Because demand deposits are only a limited source of loanable



funds. At the same time, the customers applying for loans are mostly start-up businesses with insufficient background (capital). Therefore the analysis of disbursed loans and the assessment of the risk involved require above-average expertise of our staff.

[Garamvolgyi] Even before the banking reform, the General Banking and Trust Company's activity was linked to foreign exchange, to various foreign exchange operations. Has this tradition been maintained in recent years?

[Beszedes] We include not only foreign exchange operations among the bank's traditions, but also the fact that we have been maintaining traditional relations with banks in the world's financial and foreign exchange centers: in Zurich, London, Paris, and New York, for instance. AEB has a fairly extensive international network of correspondent banks and maintains accounts with banks of world stature. AEB has a representative in Basel and one in Moscow. The task of our representatives abroad is twofold: to carry out the instructions of our clients, and to bring together or initiate business deals. A task of high priority for our representative in Basel, for instance, is to explore the possibilities of attracting foreign functioning capital and to direct the influx of such capital, not only from Switzerland but also from neighboring France and even from the FRG.

[Garamvolgyi] From the viewpoint of your customers, what kind of transactions do your foreign exchange operations involve?

[Beszedes] I would mention first of all the holding of the hard currency demand deposits and time deposits of our individual and corporate customers. In 1988, customers had about \$20 million worth of hard currency deposited in accounts with us. At the end of last year, we held 16,000 hard currency accounts that included the equivalent of about \$25 million of deposits with fairly long fixed periods. As a new service in our foreign exchange operations, we are offering to obtain hard currency refunds of the VAT [value-added tax] that Hungarian enterprises and their representatives paid on services they used abroad. First we obtained refunds of the VAT paid in Austria and the FRG during the preceding five years; these refunds amounted to about 100 million schillings a year. We are now offering this service for France and England too, and are planning to extend it to Italy and the Scandinavian countries as well.

[Garamvolgyi] What about other foreign exchange operations?

[Beszedes] From a proportion of the hard currency time deposits that we hold, we provide loans to Hungarian enterprises and, with the Hungarian National Bank's permission obtained on an ad hoc basis, we also undertake special trade-related transactions. Last year our bank acquired equity not only in Hungarian enterprises and joint ventures, but also in enterprises registered in other countries. We are holders of equity in companies headquartered in Vienna, on Cyprus, in the FRG, and in

Sweden. These companies, too, are at our customers' disposal. Naturally, the authorization to engage in trade-related foreign exchange operations applies to our bank as well.

Providing venture capital is a separate line of business that we developed recently. It contains the germs of so-called investment or merchant banking that does not exist as yet in Hungary but will develop here, sooner or later. Over and above the management of investments, the bank participates in forming companies, attracting foreign holders of equity, and providing special financial services.

[Garamvolgyi] And now a question whose answer will also interest the general public. How did the sale of shares embodying 50 percent equity in the General Banking and Trust Company come about? Who were the seller and the buyer, respectively?

[Beszedes] The buyer was the East European Development Corporation, registered in Canada. The seller was the Ministry of Finance, which transferred AEB shares with a combined total par value of 500 million forints.

[Garamvolgyi] One of the owners, holding 50 percent of the shares, is the East European Development Corporation. Who owns the other 50 percent?

[Beszedes] The Hungarian state does. More accurately, the Ministry of Finance as the Hungarian state's representative does. At the end of last year, when the deal was already maturing, the state bought the shares held by the PK [Central Corporation of Financial Institutions], the OTP [National Savings Bank], and the AVB [General Venture Capital Bank Corporation]. Then, as sole shareholder, the state sold the shares embodying 50 percent equity in AEB.

[Garamvolgyi] Were the shares sold at par or above par?

[Beszedes] At 120 percent of their par value. In other words, the shares were sold for the equivalent of 600 million forints, or nearly \$10 million. Let me mention that the documents were signed at 1500 hours on 25 January in the Ministry of Finance, and a few minutes later the Hungarian National Bank reported that the purchase price had been transferred.

[Garamvolgyi] The founders of the East European Development Corporation include also American businessmen of Hungarian extraction. To what do you attribute the corporation's choice of the General Banking and Trust Company as partner in the joint venture, and the corporation's willingness to buy the shares at 120 percent of their par value?

[Beszedes] On one occasion, in conjunction with opening an escrow account, Andrew Sarlos requested detailed information about our operations, business policies, results, and plans for future development. It is common knowledge that Mr. Sarlos is one of the principal shareholders in the East European Development Corporation. I believe that his inquiries sparked interest in

forming the joint venture. As far as the price paid for the shares is concerned, it definitely reflects our bank's developmental potential, and the 10-percent dividend the bank has declared on the basis of its net profit in 1989.

[Garamvolgyi] What were the other conditions of the sale and purchase of shares?

[Beszedes] The two partners—i.e., the state and the Central European Development Corporation—have waived the joint venture's right to claim exemption from profit tax. They have also agreed not to declare dividends for the next five years, but to use the retained earnings to augment shareholders' equity. On the basis of the bank's capital stock and the dividend declared for 1989, the retained earnings now amount to 100 million forints.

[Garamvolgyi] Radical changes have not been rare in the history of the General Banking and Trust Company and its predecessors. Is the present change, too, a radical one?

[Beszedes] Yes. AEB also showed growth in recent years, but the growth rate was modest, except in the case of net profit. Growth manifested itself primarily in the expansion of services and in the improvement of their quality. The overall effect has been the establishment of the foundations of modern commercial banking, which offers potential for growth at a faster rate. The infusion of foreign capital makes the realization of this potential possible.

As evident also from their agreement to retain earnings, the two partners in the joint venture expect the bank to enhance stockholders' equity and to undergo dynamic growth. In conjunction with this we expect that the businessmen of Hungarian extraction among the founders of the East European Development Corporation will be using AEB's services for their transactions in this country. We also hope to play a role in managing the \$250 million Second Hungarian Fund that is now being set up: the more so because the same businessmen of Hungarian extraction who, through their holdings in the Central European Development Corporation, are indirectly owners of AEB are also helping to set up the fund, both as founders and as stakeholders.

In the not-too-distant future these financial processes will simultaneously broaden the scope of the bank's operations denominated in forints and in foreign currency respectively, and will also enlarge the bank's clientele. These factors will then contribute to the General Banking and Trust Company's dynamic growth.

[Box, p 15]

#### Bank's History

A venerable institution of the present banking system, the General Banking and Trust Company was founded in 1922—before the establishment of the Hungarian

National Bank—as the Hungarian Industrial and Commercial Control Bank. The bank's principal activity at that time was the management and control of the domestic currencies (first the crown and then the pengo) and of foreign receivables and claims. The nationalization of banks in 1946 did not produce any meaningful change, because the bank's founders and shareholders were legal entities representing the state. In 1952, the bank's registered name was changed to General Banking and Trust Company, and it was licensed as a commercial bank. In November 1986, on the eve of the two-tier banking system's introduction, AEB was reorganized with a capital stock of 1.0 billion forints that was held as follows: 55 percent by the Ministry of Finance, 20 percent by the Central Corporation of Financial Institutions, 15 percent by the National Savings Bank, and 10 percent by the General Venture Capital Bank. As of 1 January 1987, AEB was licensed as a commercial bank, and so were the three newly established commercial banks (MHB [Hungarian Credit Bank], OKHB [National Commercial Credit Bank], and BB [Budapest Bank]) and the Foreign Trade Bank. Unlike the newly established commercial banks, however, AEB was authorized already in 1987 to conduct certain foreign exchange operations, in which it was able to make use of its expertise gained over many decades, and of its extensive international banking connections. It also received ad hoc authorizations for trade-related transactions in foreign exchange.

## ROMANIA

### Restructuring of Machinebuilding Industry

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[Articles by Olga Mihaescu and Victor Platon:  
"Machinebuilding"]

[23 Feb p 13]

[Text] Restructuring of the machinebuilding industry, like the other sectors of industry, must be based on the specific conditions of Romania and the principle problems of its past development in comparison to the objectives of its long-term development. At the same time, it is necessary to take into account the problems that have arisen as "critical points" in ongoing development of economy as a whole.

One such problem is of that optimizing the centralization-decentralization relationship in the operation of the entire economy and economic units, with its decisive role in transition from extensive to intensive development and in increasing the contribution of qualitative factors, chiefly through concentration of the elements of technical progress and better utilization of creativity. Hence it is essential during the first stages of restructuring to initiate measures leading to gradual decentralization of the economy, and accordingly of industry.

In view of these general problems facing the restructuring of industry, there are a number of problems specific to the machinebuilding industry, ones generated by the concept of its development over the last 45 years.

#### Characteristics of Past Development

Regarding the structure of this industrial sector, a definitive characteristic is represented by the large share of industries making relatively simple machinery and equipment manufacture of which requires large amounts of raw materials and metals (for example, the tractor, motor vehicle, truck, and farm machine industry in 1988 accounted for more than 45 percent of Ministry of the Machinebuilding Industry production). The sector has developed unselectively, on all fronts, especially through fairly pronounced increase in the low-technology subsectors. The high-technology subsectors have not been developed in cohesive fashion, and emphasis has been placed on total integration of product groups and products which obviously could not be produced efficiently in Romania either because of the low volume needed or because of the lack of technologies (subassemblies for the Olcit passenger automobile, nuclear equipment, etc). On the other hand, there has been excessive development, relative to domestic needs, of products such as trucks, ships, railroad cars, tractors, etc, without assurance of real potential for broad penetration of the world market for these products under competitive conditions. Added to the problems of excess capacity have been those linked to the quality of products and production processes, which, combined with the practice of forced development of exports, have resulted in inefficient trade relations. The unsuitable technical and quality level of some machinebuilding industry products has on the one hand caused reduction of exports, and on the other increasingly unsatisfactory provision of products and services for Romanian industry. The large existing capacities and the lack of competition have led directly to the accumulation of significant stocks of finished products (tractors, trucks, etc).

Another characteristic of the development of this industrial sector is represented by lack of flexibility of the enterprises in responding to changes in the economic environment. This rigidity, which has been excessive in some areas, is due to the long cycles of research-design-production startup—production and marketing—sales and service. The period required for official approval of a new product in this sector has been 3.5 to five years in Romania, in comparison to two years in the United States and 1.2 years in Japan.

A special problem for a large number of machinebuilding enterprises is that of outfitting with fixed capital and the way in which this capital is used. Although from the viewpoint of value the majority of units are equipped with fixed capital at a high level in comparison to the situation of other sectors, from the viewpoint of wear and obsolescence the situation of such capital is not precisely a favorable one. In the majority of units the fixed capital is represented by general purpose

machinery and equipment at the technical and quality level corresponding to that of the generation to which they belong, but not at that represented by the trends of contemporary technical progress in the area of metal-working technologies. In addition, their output is negatively affected by the slight extent to which the maintenance and capital repair programs have been followed and spare parts have been provided for normal operation, and also by the method and extent of provision of energy, raw materials, intermediate products, etc. A number of units in the large and very large category have been outfitted with high performance equipment (6,000, 12,000, and 30,000 ton-force presses, 16-millimeter turret-head lathes, etc) with a very high inventory value (of the order of hundreds of millions of lei). The fact that this equipment has not been used to its entire capacity or has been used in simple operations that could have been carried out with smaller machinery and equipment results in excessive increase in manufacturing costs because of the very high depreciation rates for such equipment.

Another characteristic of past development of the machinebuilding industry (one that can have an unfavorable effect in the future unless the problem is suitably solved by restructuring) is represented by the almost total dependence on the materials used in the past than on substitutes such as aluminum, polymers, industrial ceramics, and composite materials, wide use of which in other countries has resulted in true "uncoupling" of development of the machinebuilding industry from traditional raw materials resources. For example, the order to replace aluminum (which was exported in the crude state) with iron or ferrous alloys greatly increased the weight of products, lowered output, increased energy consumption, and so forth.

As a result of the development of subassemblies at any cost, serious imbalances arose between the size and the economic potential of enterprises. Thus, very large enterprises made their appearance that in some cases were favored by investment programs, better trained personnel, licenses, and cooperation agreements with foreign firms from which leading edge technology was imported (but with ever decreasing frequency). Other, smaller, enterprises, some of them in the "horizontal industry" category, but with which the very large ones cooperated in production, were totally neglected, being forced to operate with the same equipment and technologies for more than 30 years, on unsuitable premises and with low skill personnel. One result, among others, has been manufacture of low technology products, with its negative effect on the technological sophistication of finished products, even ones made by first class enterprises. Mention should also be made in this context of the especially harmful fact that occupational training and skill improvement have been neglected. The periods of vocational training and retraining have declined constantly, pay raises being granted exclusively on the basis of length of service. In comparison to other countries, in which up to 250 to 300 hours per year are devoted to

labor force training, skill improvement, and retraining, in Romania such training has been a mere formality, with training administered by ill qualified personnel.

The last problem that must be considered is that of the general economic mechanism. It is a well-known fact that economic factors have been used to a very slight extent in regulating production relationships. The development of self-adjustment mechanisms that exist in the majority of modern economies has been prevented. For example, the role of economic contracts in regulating relationships between enterprises has been an extremely small one. The subordination of economic contracts to the production plan has led to the elimination of such contracts as a main legal instrument regulating voluntary agreement between parties.

In light of these characteristics of the past development of the machinebuilding industry, in the second part of this article we will undertake to outline a number of solutions that may be considered by specialists in this field in developing a strategy for restructuring this sector of industry.

[2 Mar p 9]

[Text]

#### In the Short Term

We recommend continuation of current manufacture as a function of the needs expressed by the national economy and by existing export contracts, along with strengthening of the responsibility of suppliers of materials, subassemblies, parts, etc., for providing these articles in the assortment structure and meeting the technological standards required. It is necessary at the same time to provide enterprises with funds or even foreign currency credit for acquiring imported materials, parts, subassemblies (supplementary imports) determining the technical performance of products (or even their acceptance by foreign partners). Funds or foreign currency credit should be granted in particular as a function of immediate export potential, and at the same time the foreign currency available to the national economy, without interest for a limited period of time (in the case of credit). We believe that in the short term it is not advisable to approve imports for development of engineering resources, only supplementary imports directly affecting the manufacture of products for which sales are assured.

There is need for production of spare parts and horizontal industry products in the amounts and meeting the specifications demanded by customers, to promote suitable operation of machinery and equipment currently in service and manufacture of sophisticated finished products for which sales are assured.

We recommend the most accurate possible diagnosis of the economic potential of units in each area of the sector (that is, the situation regarding the volume and extent of

utilization of production facilities, equipment and material resources, C-D [not further expanded], foreign currency, financial resources, and manpower); of the production structure of these units, the makeup of the range of products manufactured, the technical performance level and the quality of the products, and the situation as regards achievements and trends in technical progress around the world in the particular area; of the level of the general and specific technologies of each area; and of the international competitiveness of products from the viewpoint of volume of exports and their dynamics, the foreign price level per product and per unit performance in comparison to the situation of foreign competitors, the extent of foreign market penetration and the potential for retaining and expanding them, and the relationship between foreign efficiency and domestic efficiency in manufacturing.

There is also need for broad opinion polls among domestic customers in connection with the prospective demands of different user areas (as regards both the possible volume of demand and especially the performance expected by customers and the relationship between performance and product prices), along with strictly specialized technological forecasts and serious foreign market research.

In the process of diagnosis realistic analyses should be made of the economic and financial situation and of the efficiency of the sector, on the basis of primary data from units rather than centralized data or indicators from subsectors or sectors expressed in terms of value. In cost evaluation, for example, it is necessary to eliminate the camouflaged surplus product elements such evaluation has included in the past (the tax on the wage fund, contribution to the CS-DT-IPT [not further expanded] fund, etc). Similarly, in assessing the ability of a unit to finance itself and support its own development, we believe it to be advisable to use the entire volume of financial results obtained in the analyses made (that is, before these results are distributed in accordance with the current provisions of law in this area) and the existing depreciation fund.

#### Long Term

In the case of machinebuilding it is felt that the period of transition to a new stage of development characterized by efficiency and competitiveness differs from one area to another and ranges from six to 12 years. This estimate is based on the average upgrade investment recovery periods and the service lives of products and technologies. It is believed that the strategy for restructuring and developing this sector during this period should include the following factors.

1. Upgrading the structure of the sector by modifying both the contribution by the current subsectors and areas to generation of the output of the sector, on the basis of a national specialization strategy in some areas and the

microindustrial structures of each individual area. Selection of the areas of national specialization in machinebuilding should be based chiefly on the existence of knowhow and outfitting with production factors (inasmuch as this sector is relatively independent of provision of natural resources), on the one hand, and on analysis of the stage in the life cycle in which manufacture of these products or product groups is found at the time the decision is made, on the other. Selection of the national specialization niches at the microeconomic level is a relatively simple matter, consisting of selection for manufacture of products undergoing vigorous development in the life cycle. At the macroeconomic level this selection is made specifically by establishing more rapid growth of some product groups or areas of manufacture (whose life cycle can be traced) as a function of the stage in the life cycle in which they are found.

On the other hand, it is necessary to consider establishment of faster rates of development for national specialization areas and support by the government for creating conditions for suitable development of research and development potential (human, technical, technological, material, financial, and foreign currency) needed to sustain the growth recommended in these areas. Government support of the national specialization areas in machinebuilding can be provided by extending variable interest credit (including foreign currency credit), issuing government orders, granting subsidies to encourage exports, and establishing protectionist customs barriers to be lowered over time as the competitiveness of this industry increases. These measures should be applied for a limited period varying from one area to another according to the complexity of products and their importance to the national economy. Over this period the industries involved should have firm obligations, if necessary ones arrived at by agreement with the government, for gradually increasing efficiency and product competitiveness.

Modernization of the microindustrial structures of each area (and the national specialization areas in particular), both by upgrading the range of products made, from the view point of variety and standard sizes, and the products themselves, in accordance with the trends of current technical progress, can be accomplished by incorporating microelectronics into products, lowering the weight of the performance unit, improving performance to the levels of user demands, incorporating new materials possessing better physical and chemical properties and sold at lower prices, etc.

Lastly, on the subject of this first major group of actions we should note the need for initiating broad cooperation from the viewpoint of scientific research and technological development, and from that of manufacture and marketing of finished products in the national specialization areas, along with increase in the extent of internationalization of research, production, and marketing activities in the area of the corresponding horizontal industry.

2. Retention of government ownership of units in the national specialization industries and in the horizontal industry making specialized subassemblies and limited control of these industries (through tentative planning). At the same time, it is necessary gradually to increase the autonomy of units in guiding development and in providing the technical and technological, financial, and foreign exchange resources needed for developments in marketing products, including establishment of direct relations with foreign partners.

In view of the negative implications with respect to utilization of production facilities, raw materials utilization coefficients and efficiency, and integration of primary processing facilities into large and very large units characterized by a low degree of specialization, it appears to be necessary to make these units autonomous. Similarly, considering the low degree of adaptability to change in demand, the lack of flexibility, the social problems, and the negative effect on costs characterizing the large and very large enterprises that predominate in the size structure of units in the machinebuilding industry, these units should be "sold" in accordance with the specific technical and technological features and profit characteristics of the departments comprising them. It is possible in this way to stress the nature of the assembly industry division of the machinebuilding industry which this sector has long possessed throughout the world, along with the prerequisites for faster improvement in the cost effectiveness of activities by increasing the material interest of employees in the results of economic production activities.

We believe that units in areas not in the category of national specialization areas and those in general purpose horizontal industry could be subjected to experimental operation on market economy principles through transfer of their ownership to private businessmen, on the basis either of sale or of gradual reimbursement of their value, or by granting the right of use for a limited period.

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